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Congressional Record

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS, FIRST SESSION

SENATE

THURSDAY, JUNE 16, 1955

(Legislative day of Tuesday, June 14, 1955)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God our Father, in a world filled with sights that sadden and problems that perplex, may our hearts be strengthened by the realization that ours is also a time of splendor, bright with promise as we stand at the portals of a more glorious tomorrow. May the crashing of outworn things that are falling to earth not hide from our eyes the coming glory of a new era struggling to birth.

We give thanks with humble yet kindling hearts that we are summoned to live and give in such a time. If this weary flesh of ours, faced by determined foes, should fear or falter, keep us firm and steadfast as we put on the whole armor of faith and hope and love. May we play our part as Thy faithful servants in history's crowning hour. We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 16, 1955.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JOHN STENNIS, a Senator from the State of Mississippi, to perform the duties of the Chair during my absence.

WALTER F. GEORGE,
President pro tempore.

Mr. STENNIS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 15, 1955, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Armed Services was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Antitrust and Monopoly Legislation of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a morning hour for the presentation of petitions and memorials, the introduction of bills, and the transaction of other routine business, subject to the usual 2-minute limitation on statements.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Oklahoma; to the Committee on Finance:

"Senate Joint Resolution 15

"Joint resolution directing attention to sound public policy with respect to division of taxing powers as between the Federal Government and the States and their subdivisions; and calling upon the Congress of the United States to institute appropriate action to reduce excessive Federal tax rates and limit the unrestricted taxing power of Congress in favor of the States and their subdivisions to the end that our form of government shall survive

"Whereas Federal taxes collected from the State of Oklahoma during the fiscal year ended June 30, 1954, totaled $629,701,000, the magnitude of which sum constitutes such a drain upon the economy of this State and the taxpaying ability of its citizens as to preclude their ability to meet vitally needed public improvements from State and local sources of revenue; and

"Whereas a mere 10 percent reduction in Federal taxes collected in Oklahoma last year would produce an economic benefit equivalent to the immediate addition of 62 new industries having an average production of $1 million each, and would automatically increase State and local tax revenues by more than $5 million annually in Oklahoma; and

"Whereas the accumulated needs of State and local governments in the United States is conservatively estimated at $50 billion for highways, $27 billion for public schools and colleges, $11 billion for hospitals, and an additional $11 billion or $12 billion for municipal water and sewer systems, aggregating approximately $100 billion for needed capital outlays, a proportionate part of which is attributable to the State of Oklahoma; and

"Whereas the people of Oklahoma have voted to substantially increase outlays and taxes in Oklahoma for our public schools; and

"Whereas it is obvious that the people of the United States are confronted with a financial crisis, unparalleled in history, with our future form of Government turning on the decision whether to finance these vital State and local functions from State and local revenues, or shift the burden to the Federal Government through Federal grants-in-aid, which will necessarily mean centralized control of local functions from Washington with proportionately higher costs; and

"Whereas Federal control through grants-in-aid can be avoided, and Federal aid still be obtained by each individual taxpayer, in that each taxpayer automatically shifts part of any tax increase for State and local functions to the Federal Treasury by the process of deducting such State and local tax increases in computing his Federal income tax, which form of Federal aid is vastly preferable to outright grants by Congress to particular projects and purposes that carry with them unacceptable conditions and controls plus the additional Washington brokerage cost: Now, therefore, be it

"Resolved by the Senate and the House of Representatives of the 25th Legislature of the State of Oklahoma:

"SECTION 1. That sound public tax policy requires greater reliance upon State and local sources of revenue for necessary State and local improvements, with less dependence upon Federal appropriations, and the lower Federal taxes which such a policy will make possible.

"SEC. 2. That Federal participation in the cost of State and local improvements (in which the Federal Government may have a legitimate interest) would be continued automatically, as long as State and local taxes paid by each taxpayer are deductible in computing the Federal income tax, and that this form of Federal assistance is preferable to outright grants-in-aid, with their accompanying Federal controls and additional costs.

"SEC. 3. That such a shift in tax policy can only be instituted and accomplished by action of the Congress, followed by corresponding State and local action, rather than the other way around.

"SEC. 4. That the Congress of the United States is therefore respectfully petitioned to institute such a fiscal policy, restudying the financial relationship of the three levels of Government so as to bring about less reliance upon Federal grants-in-aid for traditionally State and local functions of

government, and to take appropriate action either to submit a constitutional amendment limiting the taxing powers of Congress (except in time of war or grave national emergency) or to call a constitutional convention for such purpose.

"SEC. 5. That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, and to each Member of Congress from this State.

"Passed the senate the 11th day of May 1955.

"PINK WILLIAMS,
"President of the Senate.

"Passed the house of representatives the 23d day of May 1955.

"B. E. HARKEY,
"Speaker of the House of Representatives."

A resolution adopted by we, the women of Hawaii, Honolulu, T. H., favoring an amendment of the Hawaiian Organic Act so as to provide reapportionment of the Legislature of Hawaii; to the Committee on Interior and Insular Affairs.

THE PRESIDENT'S PROGRAM FOR SALK VACCINE—RESOLUTION

Mr. BUSH. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Lyme Women's Republican Club, of Old Lyme, Conn., relating to President Eisenhower's program for Salk vaccine.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Resolved, that the Old Lyme-Lyme Women's Republican Club wholeheartedly urge support for President Eisenhower's program for Salk vaccine.

Passed June 6, 1955

BLANCHE L. ROSS,
President.

OLD LYME, CONN.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Foreign Relations:

H. Con. Res. 157. Concurrent resolution reaffirming the desire of the American people for peace; without amendment (Rept. No. 565).

By Mr. PAYNE, from the Committee on Interstate and Foreign Commerce:

S. 847. A bill to authorize the construction of two surveying ships for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; without amendment (Rept. No. 566).

By Mr. RUSSELL, from the Committee on Armed Services:

S. 2135. A bill to provide for the suspension of certain benefits in the case of members of the Reserve components of the Army, Navy, Air Force, and Marine Corps ordered to extended active duty in time of war or national emergency, and for other purposes; without amendment (Rept. No. 569).

By Mr. STENNIS, from the Committee on Armed Services, without amendment:

S. 1571. A bill to authorize voluntary extensions of enlistments in the Army, Navy, and Air Force for periods of less than 1 year (Rept. No. 567); and

S. 1725. A bill to repeal two provisions of law requiring that certain military personnel shall be paid monthly (Rept. No. 568).

By Mr. SYMINGTON, from the Committee on Armed Services:

H. R. 4650. A bill to amend the Canal Zone Code by the addition of provisions authorizing regulation of the sale and use of fireworks in the Canal Zone; without amendment (Rept. No. 571).

CONTINUATION OF EFFECTIVENESS OF THE MISSING PERSONS ACT—REPORT OF A COMMITTEE

Mr. RUSSELL. Mr. President, from the Committee on Armed Services, I report favorably, without amendment, an original bill to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956, and I submit a report (Rept. No. 570) thereon.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2266) to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956, reported by Mr. RUSSELL, from the Committee on Armed Services, was received, read twice by its title, and ordered to be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARTHY:

S. 2254. A bill to provide for the conveyance to the city of Milwaukee, Wis., of two parcels of land which were previously conveyed by the State of Wisconsin to the United States, without consideration, for use by the United States for its marine activities in the Milwaukee area and which are no longer used for such purpose; to the Committee on Government Operations.

By Mr. CHAVEZ:

S. 2255. A bill to authorize and direct the Architect of the Capitol to transfer to the District of Columbia jurisdiction over certain portions of the United States Capitol Grounds and other grounds belonging to the United States for use in connection with the widening of Independence and Constitution Avenues and the rechannelization of Union Station Plaza; to the Committee on Public Works.

By Mr. FULBRIGHT:

S. 2256. A bill to authorize the guaranty of exports against certain risks of a political nature; to the Committee on Banking and Currency.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 2257. A bill to amend the Officer Personnel Act of 1947 to provide for the retention on active duty of certain officers of the Regular Army;

S. 2258. A bill to provide a lump sum readjustment payment for Reserve officers who are involuntarily released from active duty; and

S. 2259. A bill to amend section 301, Servicemen's Readjustment Act of 1944 to further limit the jurisdiction of boards of review established under that section; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bills, which appear under a separate heading.)

By Mr. KERR (for himself, Mr. MONRONEY, Mr. ELLENDER, Mr. LONG, Mr. MCCLELLAN, Mr. FULBRIGHT, and Mr. DANIEL):

S. 2260. A bill granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to the Committee on Public Works.

By Mr. BUSH:

S. 2261. A bill to permit charging of tolls on any section of highway constructed under the provisions of the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, upon repayment of the Federal-aid funds expended thereon; to the Committee on Public Works.

By Mr. WILEY:

S. 2262. A bill to provide for the conveyance to the city of Milwaukee, Wis., of two parcels of land which were previously conveyed by the State of Wisconsin to the United States, without consideration, for use by the United States for its marine activities in the Milwaukee area and which are no longer used for such purpose; to the Committee on Government Operations.

By Mr. KILGORE:

S. 2263. A bill to amend the Rubber Producing Facilities Disposal Act of 1953, to provide for the disposal of the Government-owned facility at Institute, W. Va.; to the Committee on Banking and Currency.

By Mr. MARTIN of Iowa:

S. 2264. A bill for the relief of Yu Heng Gee; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 2265. A bill for the relief of Thomas J. Morris; to the Committee on the Judiciary.

By Mr. RUSSELL:

S. 2266. A bill to continue the effectiveness of the Missing Persons Act, as extended, until July 1, 1956; placed on the calendar.

(See the remarks of Mr. RUSSELL when he reported the above bill, which appear under a separate heading.)

PROPOSED EXPORT GUARANTY ACT OF 1955

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, a bill to authorize the guaranty of exports against certain risks of a political nature. I ask unanimous consent that a statement, prepared by me, in explanation of the bill, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2256) to authorize the guaranty of exports against certain risks of a political nature, introduced by Mr. FULBRIGHT, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. FULBRIGHT is as follows:

STATEMENT BY SENATOR FULBRIGHT

I have today introduced a bill to authorize the guaranty of exports against certain risks of a political nature. Briefly, it is the purpose of this bill to provide a program supplying one of the elements now missing in the effort to improve the economic climate for trade in exports from the United States. I am satisfied as a result of studies made on both business and governmental levels that no private underwriting organization in the United States will assume the political risks involved in the export trade in this country.

By political risks I mean, in general, government action which interferes with the carrying out of export transactions, yet which is wholly beyond the control of parties to the transactions. These risks include such items as confiscation, expropriation, and requisition; hostile action ranging from civil strife to full scale war; and governmental actions that restrict convertibility of foreign currencies into United States dollars, or which impose licensing requirements, quotas or embargoes.

I have been advised that if losses from these risks can be guarded against by the Federal Government, private organizations will be inclined to provide whatever complementary insurance may be required against loss due to usual commercial risks.

This bill attempts to make the program as self-liquidating as possible. The corporation created by the bill has a comparatively small Government capitalization of $10 million. It also has authority to borrow up to $50 million from the United States Treasury, if needed, for corporate activities, paying interest to the Treasury on such loans. It is anticipated that the corporation will pay for its own activities out of guaranty fees it collects from exporters, income on investments, and recoveries on assets taken over when guaranty claims are paid.

The bill allows the administering agency great flexibility in working out details of the program in such matters as the specific type of guaranty contracts to be offered, the destination nations to be covered, the types of goods and services to be included, the percentage of risk assumed by the Government, and the varying guaranty fees to be charged.

As in the case of the Federal Deposit Insurance Corporation, this Corporation is permitted to borrow additional funds from the United States Treasury should the other sources of corporate income ever prove insufficient to pay approved claims under guaranty contracts. This authority is one of last resort, to be used only if and after all reserve funds of the Corporation have been exhausted. It is a contingent liability of the Government which the Corporation may never have occasion to use.

The bill also encourages the maximum use of the services of private companies for issuing guaranty contracts and adjusting claims arising under such contracts. In this respect it follows the pattern successfully used by the War Damage Corporation in arranging for issuance of, and adjustment of claims under, war-damage policies during World War II. A similar method of operation was encouraged under Public Law 30, 83d Congress, approved May 21, 1953, authorizing the Export-Import Bank to insure certain personal property of United States origin but located abroad, against risk of loss or damage due to war or expropriation.

The program authorized by the bill will supplement, not supplant, other Federal programs designed to encourage exports from the United States.

The insurance program of the Export-Import Bank under Public Law 30, 83d Congress, is much more limited in scope than the one envisioned in this bill. The Export-Import Bank insurance program originated as a measure of protection for property of United States origin warehoused abroad when all or part of the title to the property remains in the United States owner. In general it was desired to provide insurance protection against loss or physical damage to such property due to the types of war or expropriation risks covered. The concept of credit insurance as such was not involved in that program. Neither does it cover the risks of nonconvertibility of foreign currency into United States dollars.

Other Export-Import Bank programs are administered in accordance with the general theory that (1) capital goods should be the subject of the export and (2) aid should be given only where it can be shown to the satisfaction of the Export-Import Bank that the result will be an increase in United States dollar earnings in the country benefitted or a decrease in United States dollar spending in such country. These principles obviously rule out Export-Import Bank aid for a large number of legitimate export transactions—particularly those involving agricultural products and consumer goods, as distinguished from capital goods.

The Foreign Operations Administration handles an investment guaranty program, but this concept of investment requires the beneficiary to agree to maintain his investment in projects abroad for minimum periods ranging from 3 to 5 years. Moreover, the FOA guaranty program applies only to limited areas where the foreign nation and the United States have entered into specific agreements on a governmental level. Finally, it guarantees only against risks of expropriation or nonconvertibility. In addition, the whole program is temporary, as authority to issue guaranties will expire on June 30, 1957. For these reasons it is obvious the FOA guaranty program offers no assistance to the greater portion of the commercial export trade.

Apart from Federal programs for maritime and aviation insurance under limited conditions, the foregoing are the only United States agency programs directly influencing the export trade.

In addition, the International Bank for Reconstruction and Development has some impact in related fields of foreign development. It can extend long-term loans for development projects in countries that are members of the bank. However, under its charter, such loans must be guaranteed by the government or central bank of the country in which the project is located. This has tended to lead to international bank loans on a government level rather than a private business level. Moreover, there is no assurance the proceeds of an international bank loan will be spent for United States goods or services. Therefore, any effect the International Bank program may have on the United States export trade is at best indirect and remote.

The proposed International Finance Corporation, to be an affiliate of the International Bank, would differ in operating procedure from that bank mainly by not requiring any government or central bank guaranty for loans by the Corporation. I understand it is anticipated that much of the Corporation's program would consist of investment in debentures in order to aid the development of specific industrial projects, without exercising managerial control over the organization issuing the debentures. It is clear that such a program is not competitive with the one proposed in this bill.

Therefore, we note that the United States Government has access to several programs that influence somewhat the field of United States exports, but none of these directly meets the purposes of this proposed legislation.

In brief, the provisions of this bill would directly assist the commercial export of goods or services out of the United States by guaranteeing against loss of nonpayment due to political risks beyond the control of parties to the export transaction.

Similar Government programs are in effect in several nations competing with United States exporters for foreign markets. The United Kingdom, Canada, France, Western Germany, Switzerland, Belgium, the Netherlands, Sweden, and Japan all offer export guaranties or insurance against political risks. Practically all these nations also offer guaranties or insurance against commercial riks. Naturally, these aids constitute stiff Government-aided competition for United States exporters competing against exporters of these nations in foreign markets.

Numerous instances have been noted in which foreign buyers prefer to buy goods made in the United States, but are persuaded to import goods made elsewhere because of the more favorable selling terms offered by exporters of such goods.

This bill is intended to supply a means of meeting this competition by providing guaranties against nonpayment due to political risks on as nearly a businesslike basis as possible in the expectation that private institutions will enter the field of insuring exports against loss due to commercial risks.

Great Britain's export guaranty program has been in existence since 1919. Germany and the Netherlands have been active in this field since the 1920's. Comprehensive programs have been operating in Canada since 1945 and in France since 1948. Most comparable to the pattern proposed by this bill are the plans in operation in Canada and Great Britain. Both nations' official reports show their export credit guaranty or insurance programs to be operating at an overall profit.

Pursuant to Senate Resolution 25 and Senate Resolution 183 of the 83d Congress, the Committee on Banking and Currency undertook a study of the financial aspects of international trade. As part of that study, the Senator from Indiana [Mr. CAPEHART], then chairman of the committee, appointed a Citizens' Advisory Committee of more than 100 members. The report of the Advisory Committee noted the existence of export credit insurance programs in other nations covering exchange risks and other international risks on foreign sales, including inconvertibility. In contemplating a similar United States program, the report states:

"Such insurance would, of course, cover only the risks peculiar to export trade and would not include credit insurance per se, which is recognized to be a matter for the individual exporter and for private credit insurance companies.

"This committee therefore recommends that the Senate Banking and Currency Committee undertake a study for the institution of a plan of export credit insurance for United State exporters."

The bill I am introducing today is a vehicle for carrying out this study and perfecting the required legislation. I expect there may be many changes suggested in this bill before it is ready for committee markup. I invite comments and suggestions. However, I believe it advisable to have before the committee for hearing a specific proposed piece of legislation in this field toward which remarks of witnesses may be directed. It is for that purpose that I am introducing this bill. If hearings show a consensus of opinion that a program of export credit guaranty similar to that contemplated in the bill should be adopted, the committee can quickly proceed to report the perfected bill to the Senate for its consideration.

One of my principal reasons for concerning myself with this problem is the plight of our agricultural economy.

FARM EXPORTS

Markets for sales are necessary to sustain or enlarge the output of farm produce. Markets abroad meet this need equally as well as domestic markets. The United States Department of Agriculture estimates that 9.2 cents of every $1 earned as cash farm income comes from exports. In particular commodities, the share coming from exports was much larger. In 1953, of each $1 cash income from rice, 60 cents came from exports; of each $1 cash income from tobacco, 31 cents came from exports; of each $1 income from

wheat, 27 cents came from exports; and of each $1 income from cotton, 18 cents came from exports.

Stated somewhat differently, in the 1953–54 marketing year, exports accounted for 45 percent of the United States rice crop, 25.8 percent of the tobacco crop, 24 percent of the cotton crop, and 18.6 percent of the wheat crop. In that same year, exports took care of 45 percent of the inedible tallow and greases, 29 percent of the dried prunes, 21 percent of the soybean crop, 18 percent of the lard production, 14 percent of the grain sorghums, and 7.2 percent of the orange crop in the United States.

Assuming a total of 350 million acres of farmland in the United States. 16 percent (55 million acres) were required to produce the farm products exported in 1951. But succeeding years have shown a decline in the number of United States acres kept in production by the export trade. In 1952, it decreased to 12 percent (43 million acres) and in 1953 to only 9½ percent (33 million acres).

The President has recognized that increased productivity of American farms during and since World War II has presented the problem of developing more commercial markets. He has also noted that this problem is part of the larger one of organizing a freer system of trade and payments throughout the world.

Without detracting from its value as an aid in disposing of United States agricultural surpluses, Public Law 480, 83d Congress, approved July 10, 1954, presently offers only the temporary relief of a program due to end June 30, 1957. It attempts to move United States agricultural surpluses into world markets to the extent of $700 million for sales in terms of local currencies and $300 million to meet famine and relief needs. In 1954 the Congress also earmarked $350 million of Foreign Operations Administration funds for the purchase of United States agricultural commodities; but this is also only a temporary solution to the problem at best.

Development of normal trade channels is a desirable alternative to these temporary programs of United States aid. Provision of export credit guaranties against nonpayment for exports due to political risks would constitute one step toward the development of normal trade channels for the export of United States farm products.

PROPOSED LEGISLATION RELATING TO THE ARMED FORCES

Mr. RUSSELL. Mr. President, on behalf of myself, and the Senator from Massachusetts [Mr. SALTONSTALL], by request, I introduce, for appropriate reference, three bills relating to the Armed Forces. Each bill is requested by the Department of Defense, and is accompanied by a letter of transmittal, explaining the purpose of the bill. I ask unanimous consent that the letters of transmittal, accompanying the bills be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bills will be received and appropriately referred; and, without objection, the letters of transmittal will be printed in the RECORD.

The bills, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 2257. A bill to amend the Officer Personnel Act of 1947 to provide for the retention on active duty of certain officers of the Regular Army.

The letter accompanying Senate bill 2257 is as follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., May 27, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To amend the Officer Personnel Act of 1947 to provide for the retention on active duty of certain officers of the Regular Army."

This proposal is a part of the Department of Defense legislative program for 1955, and the Bureau of the Budget has advised that there would be no objection to its submission to the Congress for consideration. The Department of the Army has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF LEGISLATION

The purpose of this legislation is to permit the retention on active duty of permanent major generals in the Regular Army who are either holding temporary appointments in any grade above major general or are serving in positions which carry rank above that of major general, until they reach the age of 62.

Section 514 of the Officer Personnel Act of 1947 (61 Stat. 902; 10 U. S. C. 941a) now provides that permanent major generals of the Regular Army must be retired upon attaining 5 years' service in the permanent grade of major general and 35 years' service, except that the retirement of major generals who prior to reaching age 60 have completed 5 years of service in the permanent grade of major general and 35 years of total service in the Regular Army may be deferred until the age of 60 years.

With the exception of 10 selected officers (5 for the Army and 5 for the Air Force) permanent major generals must be retired upon attaining age 62 even though 5 years in grade and 35 years' service has not been completed by that time.

The present law, in effect, compels the retirement, at age 60 of officers who are promoted to the permanent rank of major general before reaching age 55, while those officers who are not promoted to major general until after age 55 must be retained past age 60. This results in a potential loss of services to the Government of many highly qualified officers who by reason of ability and experience have attained the permanent grade of major general at an earlier age and who may now be serving in a higher temporary appointment (lieutenant general or general), or are serving in positions which carry rank above that of major general.

Subparagraph (B) of the proposed legislation is necessary to preserve the existing authority of section 514 (d) (1), Officer Personnel Act, for the Department of the Air Force to retain certain permanent major generals until age of 60, and to defer until age 64 five such officers serving in a temporary grade above major general or in positions which carry a higher rank.

COST AND BUDGET DATA

No increase in cost is anticipated as a result of enactment of this proposed legislation.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

S. 2258. A bill to provide a lump-sum readjustment payment for Reserve officers who are involuntarily released from active duty.

The letter accompanying Senate bill 2258 is as follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., June 4, 1955.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: Forwarded herewith is a draft of legislation to provide a lump-sum readjustment payment for Reserve officers who are involuntarily released from active duty, and a sectional analysis thereof. It is recommended that this proposal be enacted by the Congress.

This proposal is a part of the Department of Defense legislative program for 1955. The Bureau of the Budget has advised that there would be no objection to its transmittal to the Congress for consideration. The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

PURPOSE OF THE LEGISLATION

This proposal would amend the Armed Forces Reserve Act of 1952 to provide a lump sum readjustment payment for Reserve officers involuntarily released from active duty after its enactment, and who shall have completed at least 5 years of continuous active duty as an officer or warrant officer. This payment would be computed by adding (1) one-half of 1 month's basic pay of the grade in which he is serving at time of release from active duty for each year of active warrant or commissioned officer service up to and including the 10th year, and (2) 1 month's basic pay of that grade for each year of active warrant or commissioned service beginning with the 11th year and ending at the close of the 20th year. A part of a year that is 6 months or more would be counted as a whole year, and a part of a year that is less than 6 months would be disregarded.

The proposal is designed primarily to provide a readjustment payment for Reserve officers involuntarily released from active duty; the following classes of persons would not be entitled to such payments: (1) those relased from active duty at their own request; (2) those released from active duty for training; (3) those released from active duty because of moral or professional dereliction; and (4) those who upon release would be immediately eligible for retired or retirement pay based upon military service or who elect to receive severance or separation pay, based upon military service under any other provision of law. Additionally, Reserve officers involuntarily released may elect to receive readjustment pay or Veterans' Administration disability compensation to which they may be entitled, but duplicate payments would not be permitted.

By special provision, a Reserve officer on active duty and within 2 years of qualifying for retired or retirement pay could not be involuntarily separated from active duty before he so qualifies except with the approval of the Secretary of the military department concerned.

Acceptance of readjustment pay would not deprive a person of any retired or retirement pay or other retirement benefits from the United States to which he would otherwise become entitled. However, an amount fixed by regulation and based upon the person's life expectancy would be deducted each month from any retired or retirement pay which is based entirely on military service for which he has received readjustment pay until the total amount of the deductions equals the amount of the readjustment pay received.

Additionally, those who receive readjustment pay under this legislation would not be entitled to musteringout pay under the Servicemen's Readjustment Act of 1944 or under the Veterans' Readjustment Assistance Act of 1952.

As a result of the Korean hostilities and related international tension of the last few years, a large number of Reserve officers with wartime experience have been retained on active duty. These officers have served faithfully and efficiently, in many cases, for 10 or more years. Many are approaching the age at which their usefulness to the military force is less than that of younger officers who are needed for current and future military service. These older Reserve officers have been away from civilian life for an extended period and in some cases have been called away from their civilian occupations on two separate occasions during World War II and the Korean incident. The Department of Defense believes that they should be given an equitable payment upon involuntary release from active military duty to help them readjust to civilian life again.

The principle of readjustment pay embodied in this legislative proposal is not new. Under the provisions of title IV of the Career Compensation Act of 1949, severance pay is provided for Regular officers involuntarily separated for physical disability. Likewise, section 235 of the Armed Forces Reserve Act of 1952 authorizes separation pay for Reserve officers involuntarily released from active duty prior to the expiration of the person's agreed period of service entered into under the provisions of that section. This proposal would provide readjustment pay supplementary to that outlined above and for a class of officers for which such benefits are not now provided under existing law. It would not duplicate or provide double benefits since an individual could not receive readjustment pay and severance or separation pay.

In drafting and recommending this proposal, the Department has tried to provide: (1) Equitable, but not excessive, compensation for those involuntarily released; (2) a readjustment pay that is not so attractive as to deter Reserve officers from striving for regular appointments; (3) that an officer who receives such benefits in relation to acquiring retirement eligibility under other laws applicable to him not be penalized; and (4) to guarantee the Reserve officer that if he remains on active duty for a number of years and is then involuntarily released, he will be assured of some degree of economic security during his readjustment to civilian life.

It is estimated that to maintain the active military forces at a level approximating 2.8 million currently and for the foreseeable, it will be necessary to keep approximately 150,000 Reserve officers on active duty to supplement the Regular officer corps. Excessive turnover of these Reserve personnel is costly and detrimental to the effectiveness of the military forces and the national security. The economic security which would be given by this legislation provides an inducement for qualified Reserve officers to remain on active duty for prolonged periods thereby reducing costly personnel turnover and increasing the effectiveness of our fighting forces through retention of experienced officers needed to direct our military units.

COST AND BUDGET DATA

The estimated cost of this legislation in fiscal year 1956 is $5,462,000. There will probably be costs resulting from this legislation in fiscal years subsequent to fiscal year 1956 which cannot be accurately estimated since approved military personel programs for these years have not been established at this time.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

SECTIONAL ANALYSIS

Section 1 amends the Armed Forces Reserve Act of 1952 by adding a new section after section 259, which will be designated "section 260."

Subsection (a) provides that a Reserve officer who is involuntarily released from active duty after the enactment of this section and after having completed immediately prior to such release at least 5 years of continuous active duty as an officer or warrant officer is entitled to a lump-sum readjustment payment computed on a formula.

Subsection (a) (1) and (a) (2) sets forth the formula for computation of readjustment pay.

Subsection (b) lists the persons not entitled to any payments under this section.

Subsection (c) provides that the acceptance of readjustment pay under this section shall not deprive a person of any retired or retirement pay or other retirement benefits to which he would otherwise become entitled. It also provides, under regulations to be prescribed by the appropriate secretary, if a person who received readjustment pay later receives retirement pay, the amount of the readjustment pay shall be deducted from such retirement pay at a fixed amount monthly based upon his life expectancy at that time.

Subsection (d) provides under regulations prescribed by the appropriate secretary that a Reserve officer who is on active duty and is within 2 years of qualifying for retired or retirement pay under any purely military retirement system shall not be involuntarily separated before he qualifies for that pay.

Subsection (e) provides that a Reserve officer who on the effective date of the enactment of this section is serving on active duty under an active-duty agreement under section 235 of this act, and who is involuntarily released from active duty before completing his agreed term of service, may elect, in lieu of separation payment under his active-duty agreement, to receive readjustment pay under this section.

Subsection (f) provides that payments accruing to an officer under this section shall be reduced by the amount of any payment previously received by that officer under this section.

Subsection (g) provides that a Reserve officer who receives readjustment pay under this section is not entitled to mustering-out pay under the Servicemen's Readjustment Act of 1944 or under the Veterans' Readjustment Assistance Act of 1952.

Subsection (h) provides for a definition of (1) "Reserve officer" and (2) "involuntary release."

S. 2259. A bill to amend section 301, Servicemen's Readjustment Act of 1944, to further limit the jurisdiction of boards of review established under that section.

The letter accompanying Senate bill 2259 is as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, June 7, 1955.

HON. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, to amend section 301, Servicemen's Readjustment Act of 1944, to further limit the jurisdiction of boards of review established under that section.

This proposal is a part of the Department of Defense legislative program for 1955 and the Bureau of the Budget has advised that there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Air Force has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to remove the review of punitive discharges from the armed services, resulting from the sentences of special courts-martial under the Uniform Code of Military Justice, from the jurisdiction of the so-called discharge review boards established under the provisions of section 301 of the Servicemen's Readjustment Act of 1944. The effect thereof would be to limit the jurisdiction of such boards to a review of (1) administrative separations from the services, and (2) punitive discharges resulting from the sentences of courts-martial (other than general courts-martial) adjudged prior to the effective date of the Uniform Code of Military Justice. The review of punitive discharges or dismissals resulting from the sentences of special courts-martial under the Uniform Code of Military Justice and general courts-martial would be limited, except as noted below, to the procedures prescribed in the Uniform Code of Military Justice (Public Law 506, 81st Cong.).

At the time of enactment of the Servicemen's Readjustment Act of 1944, the only discharges and dismissals from the Army, including the Air Corps, resulting from court-martial sentences were those based on sentences of general courts-martial, the review of which was expressly excluded from the jurisdiction of the discharge review boards established under section 301 of that act. Title II of the Selective Service Act of 1948, the effective date of which was February 1, 1949, introduced the bad-conduct discharge to the Army and the Air Force as an additional punitive discharge. This bad-conduct discharge has been continued under the Uniform Code of Military Justice for all three services, and it may be imposed by sentence of either a special or a general court-martial, whereas the dishonorable discharge may only be imposed by sentence of a general court-martial. Thus, a bad-conduct discharge, if imposed by a special court-martial, is, in addition to the reviews provided by the Uniform Code of Military Justice, subject to an additional review by a discharge review board under section 301 of the Servicemen's Readjustment Act of 1944. As the Uniform Code of Military Justice clearly provides for the finality of court-martial judgments with appropriate appellate review, it is considered neither appropriate nor desirable that this additional review afforded by the Servicemen's Readjustment Act be continued in effect in the case of bad-conduct discharges imposed by reason of the sentences of special courts-martial under the code.

It should be noted that under section 12 of the Act of May 5, 1950, the first section of which is the Uniform Code of Military Justice, the Judge Advocate General of any of the Armed Forces is authorized, inter alia, to substitute for a dismissal, dishonorable discharge, or bad-conduct discharge, a form of discharge authorized for administrative issuance, in any court-martial case involving an offense committed during the period of World War II and until May 31, 1951, provided the accused submits a petition before May 31, 1952, or within 1 year after completion of appellate review of his case, whichever is the later. In addition, the enactment of this proposal would not affect the review authority conferred by section 207 of the Legislative Reorganization Act of 1946, under which the Secretaries of the military departments, acting through boards of civilian officers or employees, may correct military or naval records where necessary to correct an error or remove an injustice. This authority has been considered to extend to the review and correction of entries in records resulting from the action of courts-martial and to the issuance of a new discharge. Thus, there are other means by which possible injustices resulting from punitive discharges may be corrected, in addition to the

review authority presently afforded by section 301 of the Servicemen's Readjustment Act of 1944, in the case of bad-conduct discharges imposed by sentences of special courts-martial.

LEGISLATIVE REFERENCES

Proposed legislation designed to remove the review, under section 301 of the Servicemen's Readjustment Act, of discharges or dismissals by reason of the sentence of any court-martial was presented for the consideration of the 82d Congress, as part of the Department of Defense legislative program for 1952. It was introduced in the House as H. R. 6769, and in the Senate as S. 2730, and passed the House on May 5, 1952. That proposal was resubmitted to the 83d Congress on January 5, 1953, and was introduced as H. R. 2273 and S. 1646.

COST AND BUDGET DATA

Enactment of this proposal would result in no increase in the budgetary requirements of the Department of Defense.

Sincerely yours,

HAROLD E. TALBOTT.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CHAVEZ:

Address delivered by him on June 11, 1955, at the national convention of the League of United Latin American Citizens.

By Mr. BYRD:

Address entitled "America and the Far East," delivered by Senator FLANDERS to the Royal Institute of International Affairs, London, England, June 16, 1955.

By Mr. MARTIN of Pennsylvania:

Address delivered by him at the Waynesburg College (Pa.) alumni dinner on June 11, 1955, and editorial entitled "Graduation Time Here for Colleges," published in a recent edition of the Washington (Pa.) Observer.

By Mr. GORE:

Address delivered by Senator KEFAUVER to the graduating class of Baxter Seminary, Baxter, Tenn., on Friday, May 27, 1955.

NOTICE OF HEARINGS ON PROPOSED BANK HOLDING COMPANY LEGISLATION

Mr. FREAR. Mr. President, on behalf of the Subcommittee on Banking of the Senate Committee on Banking and Currency, I desire to give notice that a public hearing will be held on S. 880 and H. R. 6227, relating to the control and regulation of bank holding companies, and any other such bills as may be pending before the subcommittee. This hearing will begin at 10 a. m. on Tuesday, July 5, 1955, in room 301, Senate Office Building.

All persons who desire to appear and testify at the hearing are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone National 8-3120, extension 865, before the close of business on Wednesday, June 29, 1955.

Mr. President, hearings were held on similar proposed legislation by the Senate Committee on Banking and Currency in the 83d Congress, and when printed, comprised 830 pages of testimony and exhibits. At the present there are only two members of the committee who were not members at the time of those hearings.

In addition, the House Committee on Banking and Currency this year held hearings which when printed comprised 645 pages of testimony and exhibits. In previous years the Senate committee has held lengthy hearings on this matter. The proposed legislation has been before the committee for many years.

For these reasons the committee feels justified in asking witnesses who desire to be heard to conform to the provisions of the Reorganization Act which permit witnesses to file extended statements, but also provide that such statements be summarized in oral testimony. The committee reserves the right to limit oral testimony to such periods of time as it may determine, in addition to such time as may be required for questioning of witnesses by committee members, unless the chairman, for good cause, grants additional time.

DEEPENING THE DELAWARE CHANNEL

Mr. MARTIN of Pennsylvania. Mr. President, the matter of an appropriation for deepening the Delaware Channel is now being considered. It has been suggested that a part of the cost of deepening this channel be paid for by those who will use it.

I call to the attention of my colleagues that that would be an innovation in the United States. The care of rivers and harbors has always been an obligation of the Federal Government.

The Federal Government has now put into the development of the Delaware River the sum of $105 million. On that investment the Government has received, from customs collected, a return of $14.25 for each dollar spent.

The Philadelphia Inquirer of this morning, Thursday, June 16, contains a challenging editorial on this subject. I ask unanimous consent that the editorial be printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR CHANNEL IS PAYING ITS WAY NOW

The American Revolution was fought in part to free this country from unreasonable restrictions upon its commerce and stupid obstacles to its trade.

The phenomenal economic growth of the United States has been due in large degree to the policy laid down by the Founding Fathers—a policy of keeping our arteries of commerce wide open and free.

That is why there are no trade barriers between States; no interstate customs stations as in Europe; no taxation on interstate commerce. That is why development and control of America's navigable rivers have been a traditional responsibility of the Federal Government which could keep them free, and not of the States which might find it profitable to hamper waterborne commerce. That is why, save for special facilities, there have been no tolls—up to now—on the great water arteries of our Nation.

Freedom of our rivers has been as universally accepted a doctrine as freedom of the seas.

Now, at this late date, some strange influences at Washington seek to reverse that policy. They would turn their backs on our national experience, and decree that the Founding Fathers of the United States of America were not as wise as history has shown them to be.

It is seriously proposed to levy tolls from the ships which use the Delaware River.

This proposition was put to Walter P. Miller, president of the Chamber of Commerce of Greater Philadelphia, at a conference with Presidential Assistant Sherman Adams and Assistant Budget Director Donald Belcher. It was argued that the Delaware River should be put on a pay-as-you-go basis.

We are amazed that Messrs. Adams and Belcher do not know that the Delaware River is paying its way right now.

Commerce in the upper Delaware (where the Budget Bureau has opposed channel deepening unless United States Steel pays half the cost) has increased rapidly. So much so that a new customs station was established in the Trenton-Morrisville area 3 months ago.

Officials predicted that this station would further boost customs collections in this area. They already had been rising. For February last they had jumped to $3,628,037—or more than 25 percent over February 1954.

All that is income for the Federal Government. It is income which has been made possible by that freedom of the river policy which was established when the Nation's foundations were laid.

And there's still more to the story, if Messrs. Adams and Belcher are interested. Over the past 50 years, Delaware River development has cost the Federal Government $105 million. On that sum it has received a return of $14.25 for each dollar invested. In 1951 alone the port of Philadelphia customs receipts were $52,300,000.

Yet these gentlemen have the effrontery to suggest that the Delaware River be made to pay its own way.

Do they propose to levy tolls on all the other main rivers of the United States? Do they urge tolls to recoup the huge sums which Uncle Sam has invested in New York Harbor? The Federal Government paid the entire bill to deepen the Hudson River to accommodate just two ships, foreign ships: the *Queen Mary* and the *Normandie*, and no quibbling then. Is it planned to establish toll stations along the Mississippi, where vast sums are spent for channel maintenance?

We could go on, and on. We could even ask some embarrassing questions about the St. Lawrence Seaway, and the interests which seem determined to promote that, and hold Delaware Valley down.

The fight for Delaware Valley's channel has just begun. It is incredible to us that anyone in the Nation's Capital should seriously propose turning the clock back before the revolution. It is particularly outrageous that anyone should tell Delaware Valley to pay its own way on its mighty river—when it is paying its way, many times over.

THE BIG FOUR MEETING "AT THE SUMMIT"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be allowed to proceed for an additional minute and a half to 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Montana may proceed for 4 minutes.

Mr. MANSFIELD. Mr. President, I wish to make a short statement. It is a somewhat personal matter, but I wish to share with the Senate some of the thoughts which have been occupying my attention these last few days.

In a few weeks, the big four conference will take place in Switzerland. This will be the so-called meeting at the summit, toward which the Western World has been groping during the past few years. We should not overestimate the importance of the meeting. It is not the last hope of mankind. Nor is it likely, in several days, to produce final solutions to the complex problems which divide the nations.

If we should not overestimate it, neither should we underestimate the significance of the conference. The entire world has a great stake in the outcome, no people a greater stake than ourselves. If we are to live in a world with other nations then we must talk with other nations. From this conference can come further illumination of the paths we seek, the paths which lead to a fear-free peace.

We shall help the President and the Secretary of State and, in so doing, ourselves, if we repose in them at this time our full faith and confidence. They may make errors; human beings are not immune to errors. But we shall minimize the possibilities of mistakes if we permit them to negotiate with strength and conviction as the spokesmen for the entire Nation.

The results which are produced by this conference need to be examined closely by all of us. That does not mean, however, that in the style of the Yalta recriminations we need to snoop into every cough or casual comment of the negotiators in a search for malicious significance. All of us in this Chamber know, and the American people know, that agreement is reached by give and take, and sometimes it is best reached in seclusion.

Agreement is an accommodation to reality. It leads not always to the world of perfection, which is a fantasy of childhood. It can lead, however, if it is successful, to a situation in which men and women and their families may live out their lives in decency, reasonable security, and hope for the future.

If the conference that is about to take place can move us in that direction, however slightly, it will have made a worthwhile contribution. It will not move us in that direction if we equate negotiation with surrender; if we assume that every act which is not accompanied by a blustering threat or a display of armed might is an act of appeasement.

Let us, in the precess of debate, by all means criticize our national leaders for errors if they make them. That is a fundamental part of the democratic process, and it applies in foreign relations no less than in domestic affairs. But at the same time let us pledge ourselves now to spare them the indignity which their predecessors were not spared—the indignity that would question their motives or their patriotism. Let the President and the Secretary of State, in short, go into the conference with the full support of a united people. For myself, I pledge that they shall have that support.

TRIBUTE TO THE LATE ROBERT MARION LA FOLLETTE, SR.

Mr. WILEY. Mr. President, this coming Saturday, June the 18th, will mark an important anniversary albeit a sad one, in the history of Wisconsin. Saturday will be the 30th anniversary of the passing of one of the great political titans of this country—Wisconsin's immortal Robert Marion La Follette, Sr.

Earlier this week, June 14, was the 100th anniversary of his birth. But for the fact that on that day I was in Baraboo in my State to deliver a Flag Day address, I would have been pleased to refer on the Senate floor to this fine centennial observance.

I am pleased, however, that my colleague, the distinguished junior Senator from Oregon [Mr. MORSE] who grew up in Verona, Wis., near the La Follette farm, did not allow the occasion to pass without paying eloquent and well-deserved tribute to Wisconsin's "Fighting Bob." I am pleased also that Congressmen HENRY REUSS and LESTER JOHNSON of Wisconsin did honor to this great son of the Badger State, as did our neighbor, Congressman ROY W. WIER, of Minnesota.

Mr. President, the name La Follette is one which has, on a great many occasions, aroused fiery controversy here in Washington, throughout the Nation, and particularly in my own State. But with the passing of the years, with the calming of political tempers, the name La Follette has rightly emerged in the eyes of even its onetime bitterest foes, as a name worthy of inscription in the finest pages of American political history.

To us of Wisconsin who fought alongside Bob Sr., or even to those who fought against him, alongside the late Bob, Jr., or against him, alongside Phil or against him, the name La Follette is a particularly unforgettable name. It is one which, whatever our individual views, we regard as a name of utmost integrity, indomitable courage, and deepest dedication.

The statute books of Wisconsin and the Nation are filled with so many splendid laws written by the La Follettes or spurred by them as not to need elaboration on my part. Suffice it to say, that a great segment of the movement for Federal and State legislation in the interest of the underprivileged, the economic underdog, whether it be the small farmer, or working man or woman, or any other group, owes its inspiration in tremendous part to the dynamic abilities and tireless energies of the La Follettes.

I am most pleased that the Chief Justice of the United States, the Honorable Earl Warren will, in Madison this coming Sunday, June 19, to be the principal participant in appropriate ceremonies honoring Bob La Follette, Sr. Fighting Bob would have prized the tribute of Earl Warren, because they are both men of deepest interest in human values.

In my own State, it is true that there are some wounds remaining from the bitter battles from which the La Follettes never wavered, wounds in my own Republican Party particularly. But I feel that every one of us—Republican, Democrat, ex-Progressive—should pause in grateful tribute for the worthy things this family meant to our State and to the Nation as a whole.

I personally had the privilege of campaigning in times gone by for Bob, Sr. Later, I had the pleasure of serving with Bob, Jr., here in the Senate in my early years of service, and I have rarely known a more courteous gentleman, a harder working Member of this body, or one for whom, however wide our differences, I could feel a deeper sense of respect.

Back home, the Republican Party of Wisconsin was for years and years a battleground between progressive and antiprogressive influence. Many outstanding Wisconsinites fought hard against the La Follette influence, just as many fine Wisconsinites fought for that influence inside and outside the Republican Party. But whatever their feelings regarding Bob Sr.; Bob, Jr., or Phil, I know that they share a tremendous respect for this remarkable family who wrote themselves so large in the history of my State and of our Nation.

So I want to pay my personal tribute to this giant figure, Bob, Sr.—Congressman, Senator, Governor, presidential candidate, man of audacious convictions and unyielding strength.

As the milestone marking the end of the first century since the birth of Bob, Sr., slips behind us, and as the milestone of the 30th anniversary of his untimely passing recedes from us, I hope that we will all go forward—inspired by his liberal, forward-looking spirit, refreshed and encouraged by the battling spirit which he bequeathed to his sons, and to us all. It was a warrior spirit, a spirit which took on special interests, however mighty, which braved the wrath of despotic power from any quarter, which fought as hard as it could, but which never stooped to a low blow. It was a spirit which fought with honesty, gallantry, and with great effectiveness.

I salute this great servant of my State—who graced this Chamber with such distinction—and convey my warmest word of greeting to his surviving family and relatives.

KANSAS CITY CRIME COMMISSION OPPOSES STAY OF DEPORTATION OF NICOLO IMPASTATO

Mr. WILEY. Mr. President, the right of Members of the Senate and House of Representatives to introduce private bills, affecting the immigration or naturalization of various individuals is an important right.

On a great many occasions, we have seen that injustices have been corrected; that important service to the Nation has been rendered, by the passage of private bills, for example, bills to keep in our country various worthwhile individuals

who might otherwise be deported, particularly behind the Iron Curtain.

We all realize, however, that occasionally included among those who seek the benefit of private bills, are highly unworthy individuals, and each of us knows that we must be on our guard against such unworthy individuals.

I was interested to read, therefore, the May 31, 1955, issue of a bulletin published by the Kansas City, Missouri Crime Commission, a large portion of which was devoted to well-deserved criticism of any effort to keep in the United States a certain individual who would be the beneficiary of S. 212, one Nicolo Impastato.

In describing a private bill on behalf of this individual, Mr. Wayne Murphy, managing director of the crime commission, stated, as reported in the Kansas City Times of May 10, 1955:

Mr. Impastato's chief public contribution to his adopted land has been to distribute heroin through eight States in the Middle West.

Of all the low, filthy crimes in the United States, there is nothing lower or filthier than peddling dope.

Mr. Impastato was a member of an eight-State heroin ring which did a volume of more than a million dollars a year. No one can count up the lives wrecked by this individual.

It would be unthinkable, therefore, if any bill in his behalf received the slightest attention except to be quickly killed in the Immigration Subcommittee of the Senate Judiciary Committee.

As ranking Republican member of the full committee and as former member of the Kefauver Crime Committee, I shall do everything I can toward that end.

Let me say that in my judgment far too often in recent years stay-of-deportation bills have been offered on behalf of proven criminals.

The right to reside in the United States—the privilege of becoming a citizen of the United States—are precious ones, and they should certainly not be squandered on the likes of a dope peddler.

As matter of fact, it is extremely unfortunate that far too often deportation actions against convicted hoodlums have been snarled in redtape in the courts for years and years. I believe that all individuals, particularly American citizens, are entitled to due process of law, but I do not believe that we should fail in our obligations to crack down mercilessly on those who have betrayed their host country.

I send to the desk excerpts from the Kansas City Crime Commission memorandum, and ask unanimous consent that they be printed at this point in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

POINTS OF INTEREST

KANSAS CITY CRIME COMMISSION,
Kansas City, Mo., May 31, 1955.

This proposed legislation, if passed by Congress and signed by the President, would nullify present deportation proceedings against Impastato who is now a resident of Kansas City, Mo. These proceedings are now pending in our Federal court. The proposed bill declares this alien "to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee." Passage of the legislation would mean that Impastato could remain permanently in the United States.

The following illuminating facts in this case are of interest.

On July 22, 1953, the final order of deportation was entered against Impastato by the United States Immigration Bureau on the grounds that he entered the United States illegally in 1924 and was convicted in Federal court at Kansas City, Mo., in 1942 for violation of the narcotic laws. The records of the clerk of the United States District Court of Kansas City, Mo., Criminal Docket No. 15377, reflect Impastato was indicted by the Federal grand jury here on April 1, 1942, for violation of the Federal narcotic laws; that on November 4, 1942, he entered a plea of guilty, and on April 14, 1943, Federal Judge Albert L. Reeves sentenced him to 2 years imprisonment. The clerk's docket further shows Impastato was delivered on April 16, 1943, by the United States Marshall of Kansas City, Mo., to the Federal Correctional Institution at Texarkana, Tex., to serve this sentence. The clerk's file in this case shows that the indictment to which Impastato plead guilty, and upon which he received his 2-year sentence, charges Impastato and 11 others specifically with concealing and facilitating the concealment of approximately 66 ounces of a narcotic drug, heroin hydrochloride, the place of concealment of said drug being at 425 South Montgall Street, in Kansas City, Mo., knowing at the time of the concealment and at the time of the facilitation of concealment of these narcotics that they had been imported into the United States contrary to the laws thereof. The indictment charges that this offense took place during 1941. Police records show that Impastato served 18 months and 60 days on this sentence and he was released from the above institution on conditional release November 19, 1944.

On July 23, 1953, the day following the deportation order, this alien filed a petition for a writ of habeas corpus in the United States District Court of Kansas City, Mo. The dismissal of this writ by the Federal district court was unsuccessfully appealed by the alien to the United States Circuit Court of Appeals at St. Louis, Mo. That body on April 21, 1954, upheld the ruling of the district court. The court of appeals, in effect, said that Impastato could be deported to his native Italy.

On November 15, 1954, Impastato filed another petition for a writ of habeas corpus in the United States District Court at Kansas City for the purpose of staying the deportation order. The hearing on this writ was continued on January 14, 1955, pending the outcome of the Langer-Johnston bill in the present Congress. In the meantime Impastato is free on bond approved by the Federal court at Kansas City.

It will be remembered that Impastato was prominently mentioned in hearings before the Special Committee To Investigate Organized Crime in Interstate Commerce, United States Senate, 81st Congress, known as the Kefauver committee, in the testimony of Claude A. Follmer, United States narcotic agent, Treasury Department, Kansas City, Mo., as set out in pages 81 to 100 inclusive of part 4 of the hearings that took place in Kansas City on September 28, 1950. For reasons of brevity it will not be possible to set out in this publication all of Mr. Follmer's testimony. The salient features of his testimony are summarized as follows:

He testified that for many years (prior to 1950) Kansas City was the scene of violence, bloodshed, and terror in connection with the traffic in illicit narcotic drugs; that one of the most vivid examples of this organized interstate criminal enterprise is shown in the events and circumstances of the case known in the files of the Federal Narcotic Bureau as "SE–202; Carl Carramusa, et al." This investigation progressed at Kansas City during 1941 and 1942 while undercover agents of the Federal Narcotic Bureau made purchases of narcotic drugs, and on February 17, 1942, Carl Carramusa and Charles Taibi alias Ryan were apprehended. Surveillance of Carramusa prior to his arrest indicated he had access to a large quantity of drugs and by elimination the agents eventually located his cache, an ingeniously devised secret panel in the wall of an apartment. The wholesale value of heroin then seized was in excess of $40,000. When cut and delivered to the addict consumers these drugs would yield approximately one-quarter of a million dollars. On April 1, 1942, indictments were returned charging Nicolo Impastato and 10 other persons, including Carl Carramusa, with violation of the Federal narcotic laws.

Mr. Follmer further testified that the story behind these indictments began in 1929 when narcotic agents learned a man known only as Nicoline (later identified as Impastato) arrived in Kansas City from Chicago and became the strong-arm man for John Lazia, then underworld czar. Lazia was later assassinated (1934).

He further testified that in New York City in 1937 narcotic agents arrested Nicola Gentile in connection with a nation-wide narcotic syndicate involving 88 persons throughout the United States and Europe. Gentile had an address book in his possession at the time of his arrest which was a veritable "Who's Who" in narcotic traffickers. The names of Impastato and other members of the Kansas City syndicate were duly listed. Gentile later jumped a heavy bond and fled to his native Sicily, where he became an intimate of the notorious Lucky Luciano.

Follmer further testified that shortly after his arrival in Kansas City, according to reliable information, Impastato became second in command here in the narcotic syndicate; this outfit soon developed contacts with major sources of narcotic drugs at various points in the United States, and in a short time were supplying not only the Kansas City area but addicts in Texas, Oklahoma, Iowa, Nebraska, Arkansas, Kansas and Illinois. In 1942 it was determined one of the sources of supply for the Kansas City group was an organization in Tampa, Fla., which received smuggled drugs from Marseilles, France via Havana, Cuba. The traveling representative who brought the drugs to Kansas City was James De Simone. New indictments were returned by the Federal Grand Jury at Kansas City on December 18, 1942 charging 155 counts of narcotic law violations against Impastato and 13 persons, including Carl Carramusa, James De Simone and Thomas Buffa. The indictment as to Buffa was dismissed due to lack of evidence. Buffa testified for the Government in a collateral matter involving perjury on the part of a paramour of another defendant. She was convicted. Upon Buffa's return to St. Louis, Mo., where he lived, an attempt was made to assassinate him, and he fled to California. In 1946 at Lodi, Calif., Buffa was slain by shotgun blasts.

Mr. Follmer testified that the successful culmination of the aforementioned investigation resulted through the active cooperation of Carl Carramusa who openly testified for the Government at the trial. Carramusa went into hiding, changed his name, and began a new life with his wife and family in Chicago. Three years later, in June, 1945, at Chicago, Carramusa's head was blown off by a shotgun just as his family was about to

join him in his automobile en route to a wedding anniversary party.

It should be noted that James De Simone, who was one of the defendants indicted with Impastato in December, 1942 was on September 19, 1953 deported by the United States Government by plane form New York to his native Italy. This deportation was based on his conviction in 1943 for violation of Federal narcotic laws growing out of the aforementioned December 18, 1942 indictment, as a result of which he received a 6-year sentence in Federal prison.

Is the Congress of the United States by Senate Bill No. 212 going to grant Impastato this special favor in 1955 just in order to keep him from being deported? What service has he rendered to the United States since his illegal arrival in this country that would warrant this special treatment? We hope the Congress will not pass this extraordinary piece of legislation. At least, we are opposing it. Letters have been sent by the Kansas City Crime Commission to Senators THOMAS C. HENNINGS and STUART SYMINGTON, of Missouri; Congressman RICHARD BOLLING, of Kansas City; Senator HARLEY M. KILGORE, of West Virginia, who is Chairman of the Judiciary Committee of the United States Senate; and to all other Senators on that committee, protesting the passage of Senate Bill No. 212. Likewise, Attorney General Herbert Brownell has been apprised by letter of our position in this matter.

"We shall see what we shall see" with respect to its fate.

GREAT STONE FACE MEMORIAL STAMP

Mr. BRIDGES. Mr. President, on Tuesday next at Franconia a postage stamp will be placed in service to publicize the Great Stone Face, a magnificent natural phenomenon of native rock 80 feet high, otherwise known as the Old Man of the Mountains.

Perhaps this monumental example of nature's artistry was recognized and appreciated by the Indians. In any case, just 150 years ago it was discovered by men of European ancestry, and this event of 1805 is being celebrated appropriately in New Hampshire next Friday, with the President of the United States attending.

Having these thoughts in mind, I invite attention briefly to the fact that it is to a talented New England literary genius that the world owes the acquaintance it previously has had with the Great Stone Effigy. A short story by Nathaniel Hawthorne, published in 1842, has carried its name wherever the English language is used. The author was a native of Salem, Mass., born July 4, 1804. Educated at Bowdoin College in Maine, he became a voice for all the Northeast portion of the United States while yet a young man. From his home in the old manse at Concord and later from his home in his native town and from various cities in Europe to which he went in the service of his country there came such classics as Twice-Told Tales, A Wonder Book, Tanglewood Tales, Mosses From an Old Manse, The Scarlet Letter, The House of Seven Gables, The Blithedale Romance, and The Marble Faun—each a great book, each still worth reading.

Hawthorne himself was a fascinating subject. He personified the culture and especially the humane qualities of the land which had brought him forth. We remember him in company with Longfellow, Alcott, Thoreau, Holmes, Lowell, Emerson, Melville and many other literary and philosophic leaders of distinction. He founded a dynasty of writers whose works have joined his own in lasting utility to successive generations of readers. Many of his contemporaries have been admitted to the postal gallery of the United States. Hawthorne has been on the list for such honor for 20 years. I suggest to the Postmaster General that he take advantage of the ceremony at Franconia on Tuesday to announce authorization of a stamp in memory of the writer of The Great Stone Face, to be issued on Hawthorne's 152d birthday anniversary, July 4, 1956. I expect to introduce a joint resolution to carry out this purpose.

THOMAS J. KEEFE

Mr. CHAVEZ. Mr. President, I ask unanimous consent that there be printed in the RECORD a resolution adopted by the Senate Committee on Public Works paying tribute to Thomas J. Keefe.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Senate Committee on Public Works has learned with regret of the illness of our friend, Thomas J. Keefe; and

Whereas the committee realizes the long period of services rendered by Mr. Keefe in forwarding the highway program of the Nation; and

Whereas the committee is aware of the faithful performance of his duties and the pleasant manner with which he has always discharged said duties, and his valuable services to the legislative branch of our Government: Now, therefore, be it

Resolved, That the Committee on Public Works extends to him the knowledge that our prayers and best wishes for a speedy and successful recovery are with him every day.

DENNIS CHAVEZ, Chairman; ROBERT S. KERR; ALBERT GORE; STUART SYMINGTON; STROM THURMOND; PAT MCNAMARA; RICHARD L. NEUBERGER; EDWARD MARTIN; FRANCIS CASE; PRESCOTT BUSH; THOMAS H. KUCHEL; NORRIS COTTON; ROMAN L. HRUSKA

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. SMATHERS, from the Committee on Interstate and Foreign Commerce:

Richard A. Mack, of Florida, to be a member of the Federal Communications Commission, vice Frieda B. Hennock.

By Mr. ERVIN, from the Committee on Armed Services:

Gordon Gray, of North Carolina, to be an Assistant Secretary of Defense, vice H. Struve Hensel, resigned.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). If there be no further reports of committees, the Secretary will state the nomination on the Executive Calendar.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Rear Adm. Charles Wellborn, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving under a designation in accordance with section 413 of the Officer Personnel Act of 1947. Rear Admiral Wellborn will serve as commander, 2d Fleet, and I ask that his nomination be placed on the Executive Calendar.

I also report favorably the nominations of 10 brigadier generals to be promoted to major generals and 13 colonels to be promoted to brigadier generals as Reserve commissioned officers in the Air Force and ask that these nominations be placed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

The nominations were placed on the Executive Calendar, as follows:

Rear Adm. Charles Wellborn, Jr., United States Navy, to have the grade, rank, pay, and allowances of a vice admiral;

Brig. Gen. John Mirza Bennett, Jr., and sundry other officers for appointment as Reserve commissioned officers in the United States Air Force; and

Brig. Gen. John Munnerlyn Donaldson, and sundry other officers, for appointment as Reserve commissioned officers in the United States Air Force for service as members of the Air National Guard of the United States.

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I also report a small group of routine nominations for appointment in the Regular Army in grades from major to second lieutenant and a large group of approximately 2,300 names in the Marine Corps. This group includes temporary and permanent appointments in grades from colonel to first lieutenant and the permanent appointment of 2 major generals and 5 brigadier generals. All of these names have already appeared in the CONGRESSIONAL RECORD, so to save the expense of printing on the Executive Calendar of these lists, I ask unanimous consent that these nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. The nominations will lie on the desk, as requested by the Senator from Mississippi.

CALIFORNIA DEBRIS COMMISSION

The Chief Clerk read the nomination of Col. William F. Cassidy, Corps of Engineers, to be president and member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified

forthwith of the nomination today confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DOUGLAS. Mr. President, I regret that I cannot agree to the proposal of the Senator from Texas. I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Of course, we can get the absent Senators from their offices.

The PRESIDING OFFICER. Debate is not in order.

The clerk will continue with the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Barrett	Holland	Saltonstall
Bennett	Johnson, Tex.	Scott
Butler	Johnston, S. C.	Smith, N. J.
Carlson	Kilgore	Sparkman
Cotton	Knowland	Stennis
Douglas	Langer	Symington
Ellender	Malone	Thurmond
Gore	Mansfield	Wiley
Green	Martin, Pa.	Williams
Hayden	Neely	
Hill	Payne	

Mr. JOHNSON of Texas. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Oregon [Mr. MORSE] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funerals of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. ERVIN, Mr. KERR, Mr. MAGNUSON, Mr. MONRONEY, and Mr. SCHOEPPEL entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. NEELY in the chair). A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. AIKEN, Mr. ANDERSON, Mr. BARKLEY, Mr. BEALL, Mr. BENDER, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BYRD, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DANIEL, Mr. DUFF, Mr. DWORSHAK, Mr. FREAR, Mr. FULBRIGHT, Mr. HENNINGS, Mr. HRUSKA Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. KUCHEL, Mr. LEHMAN, Mr. LONG, Mr. MARTIN of Iowa, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MILLIKIN, Mr. MUNDT, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. YATES, Mr. EVINS, Mr. BOLAND, Mr. CANNON, Mr. PHILLIPS, Mr. VURSELL, Mr. OSTERTAG, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and it was signed by the Acting President pro tempore.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

TORNADOES AND WARNINGS

Mr. GREEN. Mr. President, I desire to read to my colleagues an editorial appearing in the New York Times this morning, entitled "Tornadoes and Warnings." The editorial is very appropriate at this time, when we are considering the Department of Commerce Appropriation bill and an amendment which I have presented for myself and other Senators which would increase the appropriation for the Weather Bureau.

The editorial reads as follows:

TORNADOES AND WARNINGS

While those of us who live on the Eastern seaboard have been forced to become acutely hurricane-conscious during the past few years, we tend to forget the weather scourge of the inland areas—tornadoes. Figures compiled by the Weather Bureau and rereleased this week should go far to restore our perspective. From 1916 to 1955 about 7,000 tornadoes killed about 9,000 people and caused property damage of close to $800 million—a yearly average of 225 deaths and $20 million of damage. Nor is the East entirely immune, as residents of Worcester, Mass., well know. On June 9, 1953, a twister tore across that city, leaving 90 dead and $60 million of damage to property.

As with hurricanes, the Weather Bureau issues warnings of tornadoes in advance which, even with the present far too limited facilities, have saved untold lives and damage. Most useful in tracking them is long-range radar. A group of 9 Senators, led by Mr. GREEN, of Rhode Island, is working to increase by $5 million the Weather Bureau appropriation now before the Senate. This would cover a 5-year program to provide for 55 new storm detection radar stations—25 less than expert testimony showed are needed. The tornado record, as well as that of hurricanes, dramatically underlines the urgency of this increase.

Mr. CASE. Mr. President, I have been much interested in the amendment offered by the distinguished Senator from Rhode Island [Mr. GREEN] to provide funds to establish 55 additional stations for radar detection and recording of tornadoes and severe storms. I am supporting the amendment, but it occurs to me that, in addition to the tornadic disturbances which usually occur during warmer weather, there should be an improvement in the weather forecasting service in the northern Great Plains area during the wintertime, particularly, when some of the blizzards come down from the Canadian prairies. There should also be an increase in the weather reporting service for the great area which might be described as that lying between Billings, Mont., Bismarck, N. Dak., Pierre and Rapid City, S. Dak., a distance of several hundred miles where there is

no reporting service at all. Fliers of small planes have reported to me many times that there is an entirely inadequate weather reporting service in that area.

I sincerely trust that when the Department of Commerce considers the allocation of funds for the additional weather reporting stations it will give consideration to the importance of additional weather forecasting service in the northern Great Plains area generally, and specifically in the area which I have described, bounded by Billings, Mont., Bismarck, N. Dak., and Pierre and Rapid City, S. Dak., as being an area in which there is an inadequate service both for ranchers and farmers and those who fly small aircraft.

I hope the amendment will be agreed to, and that the Weather Bureau will take into consideration this additional area of need in this field.

The PRESIDING OFFICER. The Secretary will state the first committee amendment which was passed over.

The amendment was, on page 7, line 16, after "1953", to strike out "$40,000,000" and insert "$55,000,000."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, this is a very important matter. While there are so many Senators in the Chamber, I request that the yeas and nays be ordered on the amendment, and then we may proceed with the debate. I hope that the leadership on both sides of the aisle will cooperate in having the yeas and nays ordered.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. DOUGLAS. I hope that later in the day we may be able to have the yeas and nays ordered on such an important matter as this amendment.

In view of the fact that I made a statement at some length on Tuesday covering this question, and in view of the further fact that what we have before us is a committee amendment proposing to increase an appropriation authorized by the House from $40 million to $55 million, I think, in the interest of orderly procedure and the saving of time, it would be better if representatives of the committee would take the floor and give the reason or justification for their supporting this increase in the appropriation.

Mr. HOLLAND. Mr. President, I shall be very happy to take the course suggested by the Senator from Illinois. Senators will find the exhibits and the estimates filed by the Civil Aeronautics Board with the committee printed at page 283, and following pages, in the committee hearings. I hope the Senator from Illinois will take note of them. Under the revision to April 20, 1955, the total amounts of accrued subsidy payments due to air carriers—amounts owed by the Federal Government to the air carriers under the law, as shown on the books, and under the rates as duly fixed for the air carriers—taking into consideration all offsets were in April 1955, $67,163,706 on the 1955 accruals.

Senators will discover, if they will add the amount of the original appropriation in the bill for fiscal 1955 to the amount of the supplemental appropriation—and I hope the Senator from Illinois is following me in this recital——

Mr. DOUGLAS. I am following the Senator from Florida.

Mr. HOLLAND. They will find that instead of allowing the full amount as requested in the report and recommendation of the CAB, $6,300,000 less than that full amount was allowed. So the total amount paid was $60,863,706.

Senators will also find that the estimate for 1956 was a flat $63 million, as appears in the revision down to April 20, 1955. In other words, the Board went before the committees of Congress with an estimate of $63 million for fiscal year 1956. However, the Board discovered, when the supplemental bill was approved and became law 2 days later, April 22, that to the amount of $63 million based on the full allowance of the supplemental, there should be added approximately $6,300,000, which was the amount not allowed as against the 1955 supplemental estimate. So the total amount shown before the committee as due and payable in 1956—that is, including the carryover of $6,300,000 and the original estimate of $63 million—was $69,300,000. As to that, there can be no doubt. Those were the figures submitted to the committee.

When the House passed on this matter, it had before it the original estimate of $63 million. As against that original estimate, they allowed $40 million in the bill they passed, which came to the Senate and was referred to the Committee on Appropriations.

The Senate committee, as I have just said, had not only the original estimate, but had also the knowledge that there was a carryover from the year before in the amount of $6,300,000, which was pending in the supplemental bill at the time the estimates were considered by the House. So as against the total of $69,300,000 shown, including the accrued carryover and the estimate for 1956, the Senate committee decided that a substantial increase was required above the $40 million which had been allowed by the House.

If Senators will refer to the hearings, pages 294 and 295, they will find that the committee was impressed with the idea that certainly a very large supplemental appropriation would be required next spring under the conditions which would obtain at that time—that is, with an appropriation of only $40 million in the House bill, if that amount were left unamended.

If Senators will refer to the testimony of Mr. Mulligan, who is the chief auditor and secretary of the Board—and who, by the way, makes a very fine impression as being thoroughly familiar with the business of the Board—they will note that his statement begins as follows:

Mr. MULLIGAN. I would say, Mr. Chairman, on the assumption, and I think it clearly is the correct assumption, that a supplemental appropriation would be involved——

Senator HOLLAND. You mean if the $40 million allowed by the House was left undisturbed?

Mr. MULLIGAN. Yes, sir; but let me put it in a different way. A figure which would be, in my judgment, one still requiring a supplemental in some amount, but a figure that would approximate the total bill much more closely than does the $40 million would be $55 million.

The committee was trying to adjust the matter so as to leave the Board enough to proceed, with the hope of going through the year, but still lead them to believe that there would be a supplemental appropriation, but not as large as was indicated by the House action. I continue to quote:

Senator HOLLAND. In other words, you think that if the final figure in the appropriation bill would be $55 million, that would closely approximate what would be actually required in 1956, but would probably still require a supplemental item?

Mr. MULLIGAN. I think it would still require a supplemental, sir, but I think it would be much closer to the ultimate bill than the $40 million.

Senator HOLLAND. You do recognize the fact that the $63 million submitted in the budget has become probably unnecessary and over the needed amount in view of developments which have occurred since the budget was being formulated.

Mr. MULLIGAN. That is correct, sir, but the $55 million figure was suggested as a possible substitute for the $40 million, not the $63 million, with some supplemental still required.

While no reference was made to the $6,300,000 in these particular questions, it is a fact that there is that item of carryover; and it is also a fact, that the CAB is trying to reduce, below the budget figures, its total payments to be made in the coming year. We have a report on that from the General Accounting Office. An officer from the General Accounting Office sat with the committee throughout the hearings. We have received statements and recommendations, from time to time, from the General Accounting Office.

The committee has endeavored to bring to the floor of the Senate a bill containing an appropriation for payments to air carriers which we think will be inadequate, but which we believe will at least provide the minimum which anyone could hope with which the board could operate its important business—which it handles, not on its own account, but for the whole Federal Government. We believe the amount provided represents a great deal in the way of recognition of the obligation on the United States.

The carriers do not make the law; Congress makes the law, and has made it. There is no question about what the law is and what it provides. It has been interpreted by the Supreme Court, and the law is binding. Furthermore, the report of the General Accounting Office on some matters which have not been considered by the Supreme Court is quite clear. It will be found embodied not only in the letter of October 6, 1954, to the honorable Chan Gurney, then

chairman of the CAB—and if the Senator from Illinois has not seen that letter, I will gladly make it available to him—but it is also included in a more recent letter from the General Accounting Office to the senior Senator from West Virginia [Mr. KILGORE], which is dated October 22, 1954. If the Senator from Illinois has not seen that letter, it is, of course, available; however, I believe the Senator has seen it.

The committee feels that it has made a careful estimate of the situation; that the obligations of the Federal Government will certainly be more than the $55 million; that it is in the interest of the Nation to see that the obligations are promptly met; that if there is to be fair treatment of the carriers, we must leave the CAB possessed with the power at least to make payments which everyone who has gone into the question carefully, with no exception, so far as I know—and I include now the General Accounting Office, which is the handmaiden of Congress in passing on matters of this kind—believes to be reasonable.

It seems to me that the committee is within its rights in requesting the Senate to approve this figure, which does not go the entire distance, even, of the amount requested in the original budget, and which does not recognize the carryover of the unpaid item of $6,300,000 in addition to the budget, which is an approximation of the minimum amount which we feel, under any reasonable circumstances, could be expected to accrue and be payable to the carriers in order to discharge the Nation's obligations to them in the coming year.

That is a brief statement of our position. I hope the Senator from Illinois will feel it is a fair statement, and that, based on what is shown, he will be in a position to make his case for a reduction of the $55 million, if he cares to do so.

Mr. DOUGLAS. Mr. President, may I ask the Senator from Florida if I correctly understand his argument? Does he argue that Congress is obligated to appropriate as much airline subsidies as CAB asks for, and which it has by administrative ruling approved?

Mr. HOLLAND. It is as much obligated as in the case of any legal debt of the United States. The two letters from the Comptroller General of the United States, one addressed to former Chairman Gurney, dated October 6, 1954, and the other addressed to Hon. HARLEY M. KILGORE, dated October 22, 1954, make it very clear that it is not the demand of the carriers at all that fixes the amount, but it is, instead, the audited account, based, of course, on their original demand, and as it may be reduced or affected by the audits, first of the CAB and then of the General Accounting Office, and by any offsetting liquidated claims which the United States has in its own behalf against the carriers. There is no obligation at all to recognize as fiat the request of the carriers. That is not the point at all.

Mr. DOUGLAS. I am trying to understand the position of the Senator from Florida. Am I correct in assuming that the Senator is saying that, since the CAB has approved these subsidies, and since the mail rates have been approved, they constitute obligations of the United States, which Congress is bound not to alter and which it cannot diminish? That seemed to be the purport of the argument of the Senator from Florida.

Mr. HOLLAND. I think that would be a fair statement. After the rates are fixed, and after a contract is given for the carriage of the mails, and after the accounts have been audited by CAB and approved by GAO, there is no denying the fact that it becomes an obligation of the United States.

Mr. DOUGLAS. To the degree it is approved by CAB?

Mr. HOLLAND. No; to the degree, so far as Congress is concerned, that it is approved by the General Accounting Office. The rate is fixed by CAB. That is its duty under the law.

As we checked CAB's rate activities, we thought the Board was very diligent. For instance, we found that in several cases where there had been earnings in recent years by various carriers in excess of what had been contemplated as a result of the permanent rate, the CAB immediately changed the permanent rate by putting in force a smaller temporary rate, which, of course, was subject to hearings and determination later as to what the reduced permanent rate should then become, or whether there should be a reduced rate.

Mr. President, I hope the Senator from Illinois is following what I am saying.

Mr. DOUGLAS. I have only two ears, and I have been trying to listen to the Senator from Florida with my left ear and to the Senator from South Dakota [Mr. MUNDT] with my right ear, and to consolidate what I hear with both ears.

Mr. HOLLAND. That is a rather difficult job, especially since the subject before the Senate is complex. The Senator from Florida would rather desist until the Senator from Illinois has completed the matter which he is hearing through his right ear. If he has determined that matter now, I shall proceed.

Mr. President, I had just said, before the collateral colloquy between the Senator from South Dakota [Mr. MUNDT] and the Senator from Illinois began, that the committee was impressed with the fact that the CAB had proceeded, as we thought, very diligently in following up anything that looked like a better development in connection with the earnings of carriers than had been contemplated by the Board when it fixed the rates. As the Senator knows, permanent rates are fixed only after long hearings and after receiving every possible presentation bearing on the subject.

Even then there have been some instances of actual earnings at the end of the year, or at the end of a quarter, because the CAB checks on the matter quarterly, having been greater than could possibly have been anticipated. Our attention has been called to the fact that in such instances CAB has been diligent to suspend the permanent rates, and to impose temporary rates which are less favorable to the carriers, and then, of course, to proceed to hold hearings in an effort to set new reduced permanent rates.

From our inspection of the operation of CAB, we have not felt it to be a careless one or one which was unfavorable to the United States; but, to the contrary, we think it has been a careful one.

We have felt that if there are those who object to the payment of the subsidies, the really fair and proper way for them to proceed is in either 1 of 2 directions. One would be by amendment of the basic law, which would, of course, be the most appropriate way. Or, if Senators feel that there are members of the CAB who have not been duly diligent in connection with the discharge of their duties, they always have the right to oppose confirmation. We find no record that the Senator from Illinois has followed either of those two courses, at least successfully, and I know of no effort on his part to follow either one of them.

When the Appropriations Committee, which has sat for weeks considering a matter of this kind, reports a bill which confessedly will not cover the whole field, but which will more nearly do so than the bill in the form it was passed by the House, we feel it is a little captious to make objections to recommendations which very clearly represent the best estimate now available as to what will be the obligations of the United States in 1956 growing out of payments for subsidies to air carriers under laws which Congress enacted, and which exist only because Congress enacted them.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Florida yield to the Senator from Illinois?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I wonder if my friend from Florida is aware of the fact that no audit has even been made of the subsidiaries of the Pan American Airways, and that one of those subsidiaries in 1953 lost $2½ million; that since this hotel subsidiary, Intercontinental Hotels, Inc., is 100 percent owned by Pan American, the only group which could meet the deficit would be Pan American; and that this would weaken its financial position and make a subsidy more necessary? I have asked that such an audit be made, but no audit has been made, and this is an important point.

Secondly, I think the evidence is pretty clear that in the case of the Supreme Court decision, which has held that the financial condition of the carrier should be considered as a whole, and that we should not consider separate lines of the carriers, to determine whether or not a subsidy or mail rate is needed for a particular line, but that we should consider whether or not the company as a whole is prosperous.

The Postmaster General sent a memorandum to the Senator from West Virginia [Mr. KILGORE], which I had reproduced on page 8136 of the CONGRESSIONAL RECORD for Tuesday, June 14——

Mr. HOLLAND. Very well; I am following the Senator from Illinois.

Mr. DOUGLAS. In the statement of the Postmaster General there are assertions which seem to be uncontroverted that under that decision $50,798,000 of excess earnings is available for offset against subsidy loans or for recovery by the Post Office Department, and could be used in part as an offset against subsidies which otherwise would be paid. In connection with this fact, why is it that during the 16 months, since that decision was handed down, the Civil Aeronautics Board has finalized any proceeding to recover any part of the $50 million? It could be used in part as an offset against the subsidies. These are assets of the Government; and it is a well-established principle that such claims can be used as an offset against other obligations of the Government. That is done in the case of veterans. For instance, if a veteran falls behind in his payments of Government insurance, then that obligation is deducted from other sums of money which the Government may owe him for disability payments.

Why is it that we have a very rigorous standard in the case of veterans, but in the case of the large airlines, the Civil Aeronautics Board does not proceed—although the decision was handed down 16 months ago—to recover the sums of money which the Supreme Court in two unanimous decisions has said the airlines owe, and although the Postmaster General has clearly stated the amounts which are owed? That is my next question.

Mr. HOLLAND. I think it is a very good question, and calls for a very frank answer. We had before us the chairman of the Civil Aeronautics Board, Mr. Ross Rizley. He happens to be the one who, as solicitor for the Post Office Department, successfully pushed the suit the Senator from Illinois has mentioned. Mr. Rizley probably knows more about the law involved in that suit than does any other person, certainly any other person in this field of the Federal Government. He impressed the committee as being exceedingly anxious to do exactly what the Senator from Illinois is suggesting.

One of the things Mr. Rizley made crystal clear to us was that his auditors are working on a pressing basis to try to develop all the facts which are necessary in order to do exactly what the Senator from Illinois has suggested.

So far as I am concerned, I was greatly impressed with Mr. Rizley and with his determination in regard to this matter. I know Mr. Rizley has a complete grasp of the facts and the law which have been referred to by the Senator from Illinois; and I have complete confidence that the Civil Aeronautics Board will do its level best to see to it that the rights of the United States in all fields affected are properly taken care of, and, in particular, that any offsets are properly made.

We were assured by Mr. Rizley that the principle of offsets is now reflected, and has been since the date of the decision, in the auditing of the Civil Aeronautics Board. We were also assured by him that the reason why he was asking for more auditors—and the Senator from Illinois will note that in the preceding paragraph in this appropriation bill Mr. Rizley is provided with more auditors—was in order that he would be able to complete at an early date the very compendious audit which was required.

I wish to call the attention of the Senator from Illinois, however, to the table he has submitted. He will find that according to the accounting a large amount which is alleged by the Post Office Department to be due is due by carriers which are not now receiving subsidies. If the Senator from Illinois will examine page 299 of the hearings, he will find the list of carriers which are not now receiving subsidies. The Senator from Illinois will note that quite a number of the carriers—for instance, United—are shown by his table to have been affected. We find—from the second column of the compilation the Senator from Illinois placed in the RECORD, at page 8136—that United is affected to the extent of $15,857,000; and the Senator from Illinois will note that United is one of the carriers which is not now receiving subsidies.

Furthermore, from the list the Senator from Illinois also will find that TWA, which is shown to be the carrier affected by the next largest item—that of $12,158,000—likewise is not now receiving subsidies. Furthermore, from the list the Senator from Illinois will find that Delta and Western are also included.

So the total amount involved in the question asked by the Senator from Illinois largely comes back to $5 million, which is alleged to be the amount affecting the Pan American Airways.

Mr. DOUGLAS. Plus $1,800,000, as shown in the third column, or a total of $6,800,000.

Mr. HOLLAND. Very well, $6,800,000, maximum.

Mr. DOUGLAS. That is precisely what I am talking about.

Mr. HOLLAND. We were assured by the Chairman of the Civil Aeronautics Board and by the other witnesses that in each case, under the computation they are now following, they are recognizing the offset principle and are holding back amounts which are affected by that principle; that the interests of the United States are not being jeopardized in any degree; and that that point is not of any consequence at all, when applied to the appropriation the committee has recommended, because the amount recommended by the committee does not cover any item involved in the point the Senator from Illinois is making.

Mr. DOUGLAS. Is it not true that the Government has claims of $6,800,000 against Pan American Airways?

Mr. HOLLAND. The Post Office Department has claims in that amount; the Senator from Illinois is correct.

Mr. DOUGLAS. Is it not also true that the subsidy of Pan American Airways, as contemplated for this year, is approximately $17,700,000?

Mr. HOLLAND. After withholding a great deal more than that in the computation.

Mr. DOUGLAS. Not withholding for this item.

Mr. HOLLAND. Withholding much more than the $6,800,000—withholding everything required to be withheld to give full force and effect to the principle of offsets.

Mr. DOUGLAS. The Senator does not answer my question. In connection with the $17,800,000 subsidy no provision is made for withholding the $6,800,000 which under the Supreme Court decision of February 1, 1954, is due the Government. Is not that true?

Mr. HOLLAND. The Senator from Florida thinks he has completely met the point of the Senator from Illinois. The accounting between the Government and that company is so much greater than the item mentioned, the $6,800,000 to which the Senator refers. So the Government is protected by the very large amounts, much greater than that, which are unsettled in the accounting, and which the CAB has declined to settle.

Let me say to the distinguished Senator from Illinois that, first, he is evidencing no confidence in the CAB; second, no confidence in its chairman, who was the solicitor who handled the very law case the Senator mentioned, when he was serving as solicitor for the Post Office Department; third, no confidence in the General Accounting Office, which the Congress created to help it in auditing matters of this kind, and which does audit such matters, or else the accounts are not paid; fourth, no confidence in the committee, which has gone into this question in great detail and which reports an amount confessedly some $14,300,000, or thereabouts, under what seems to be the amount required fully to pay this item in the coming year, but with the hope that by so doing the Government will encourage the manifest efforts of the CAB to minimize subsidy payments, insofar as the law allows, and insofar as the General Accounting Office will permit, because we hope the General Accounting Office will always stand for fair dealing between the Federal Government and those with whom it does business, rather than merely for shaving off here and there some claims which cannot be justified by law or equity.

So the Senator from Florida feels that the attitude of the distinguished Senator from Illinois, while no doubt based upon the utmost of good faith and good will—and the Senator from Florida appreciates it—is not such as to justify the points which the Senator from Illinois has raised. Although the distinguished Senator is acting in perfect good faith, nevertheless, the Senator from Florida recognizes none of the points which the Senator has made.

Apparently the Senator from Illinois has no confidence in the CAB. He has no confidence in the lawyer who effectively represented the Post Office Department, and has now been promoted

to be Chairman of this Board so that he can make effective the very ruling which he helped to obtain from the Supreme Court.

The Senator from Illinois has no confidence in the General Accounting Office, which is an arm of the Congress, and not of the executive department. He has no confidence in the Appropriations Committee. A subcommittee of that committee spent weeks on this subject, and reported to the full committee of 23 Members of the Senate.

So far as the Senator from Florida remembers, the Senator from Illinois did not appear before the subcommittee. He did not make any showing before the subcommittee. He did send a letter, which the Senator from Florida was glad to insert in the record, though it did not come to the Senator from Florida directly from the Senator from Illinois.

Mr. DOUGLAS. I sent it to the chairman of the committee, but the table enclosed was never printed in the proceedings.

Mr. HOLLAND. It was sent to the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], and by him passed on to me. I was very glad to insert it in the printed hearings.

So the Senator from Florida thinks payday has come, and that the Congress of the United States, which lays down the rules and enacts the laws, and which insists upon having an auditing agency to represent it, and not the executive, should recognize that fact. When the Congress reaches the stage when it thinks an account is due and recommends it, it should realize that payday has come.

The Senator from Florida does not understand the attitude of Senators who are not willing to recognize the fact that we do reach a payday, and that the good faith of the United States is certainly involved in this matter, as well as the confidence of the Congress in the various persons and agencies which the Senator from Florida has mentioned.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. THYE. Is it not true that the record of the airlines is excellent? They are reducing the amount of subsidies. Some of the airlines have completely reached the point where they are operating without a deficit with respect to some of their lines. They do not need a subsidy with respect to some of their lines.

Mr. HOLLAND. The Senator, of course, is correct. The full list of airlines which have reached that state—some of them within the last year or two—appears in the RECORD. It has already been referred to in the debate.

I am glad the Senator makes the point, because it affords the opportunity to read into the RECORD a list showing their recent progress.

For example, American has gone up from 10.9 percent earning on its investment to 11.5. It is off subsidy.

Braniff has gone up from 8.9 to 13.3. It is off subsidy in its domestic lines and the rate of subsidy is being redetermined, on the basis of the overseas traffic.

Eastern remains at 7.8. Pan American, adverted to by the distinguished Senator from Illinois, improved its position from 5.5 to 6.6. That is for the year ended December 31, 1954, which is the last year for which the figures are available in each case.

United has gone up from 7.5 to 7.8. Northwest has gone up from 8.6 to 8.8. The point the Senator from Minnesota has made is completely borne out by the record. The airlines are operating to advantage, and they are getting off the subsidy roll as fast as they can.

The following is a list of the lines which have gone off the subsidy: American, Eastern, National, Northwest, Trans-World, United, Capital Delta, and Western. The dearest hope of the lines which are not off the subsidy is to get off that list.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. THYE. Is it not true that some of these figures represent back accounts—delinquent accounts, so to speak—which the Federal Government owes, and on which interest is being paid? Are we not endeavoring to provide sufficient funds to bring the accounts to a current status, thereby avoiding heavy interest payments which would be due on delinquent accounts of airlines?

Mr. HOLLAND. The Senator is exactly correct, with one exception. I wish I could say that we fully take into account the point the Senator has mentioned. We do not quite fully take it into account, but in increasing the item in the House bill from $40 million to $55 million, we increase it to the minimum amount to which, it seemed to us, it would be possible to reduce the amount payable in the next year.

I am glad, too, that the Senator from Minnesota, with his customary ability to pierce through to the main point, has indicated another fact, and that is that when the airlines must pay interest, it affects the rates, and therefore indirectly affects the subsidy. When the United States does not pay the accounts when they are due—and unfortunately we have not been paying them—we make it more difficult, instead of easier, for the airlines to leave the position in which they are subsidized, and go over into the group of nonsubsidized lines. I think it is correct to say that it is the ambition of every one of these lines drawing a subsidy to get into the other classification as quickly as possible.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. THYE. As a member of the subcommittee, I wish to say for the record that I know of no chairman who has been more diligent and searching in his efforts to get the facts into the RECORD than the Senator from Florida has been. We sat through the hearings, determined to make certain that the record would be clear, that there would be no misinformation in the record, and that there would be no lack of information relative to the fine record of the airlines in their efforts to get on a paying basis and to get out from under the Federal subsidy, the need for which has extended over most of the lifetimes of these airlines.

Mr. HOLLAND. I greatly appreciate the gracious words of the distinguished Senator from Minnesota. I appreciate his attention to duty. He was a constant attendant at the meetings of both the subcommittee and the full committee. I greatly appreciate his comment on this occasion.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. I notice that nearly all, if not all, the major lines—at least in the domestic field—have gotten away from the subsidy. I believe that is a true statement, with perhaps 1 or 2 exceptions. Apparently the largest subsidy is in the Latin American business. Why is it that that traffic generates the greatest subsidy? I think it amounts to considerably more than half, perhaps two-thirds, of all the subsidies paid.

Mr. HOLLAND. Mr. President, before I answer the Senator's question, perhaps it would be well to insert in the RECORD and to call to the Senator's attention the figures in the table on page 284 of the hearings, of which I shall give a résumé, as follows. The figures covering the 1956 CAB estimates on subsidy payments for next year, for which the bill will make appropriations, are divided into various classifications. For domestic trunklines—and they are the ones to which the Senator from Arkansas first adverted——

Mr. FULBRIGHT. That is correct.

Mr. HOLLAND. For domestic trunklines the figure is $4,648,000. In other words, very few of the domestic trunklines are left on the subsidy list.

For local service carriers, $25,135,000. That is the largest amount for any single group. The Senator will recognize the fact also that it represents the desire to serve communities which are in a borderline situation where they cannot quite adequately support the continued service, but which it is in the national interest to continue to support.

Then, for helicopter service, $2,928,000. That makes a total of $32,711,000 for next year's estimates for lines in the United States.

Those figures do not include Alaska—although, I believe, for all intents and purposes we should include the next figure, the one for the Territories in the domestic estimates, because we are all trying eagerly to make Alaska and Hawaii component parts of our Nation. Whether we favor statehood or not, I believe we all recognize the fact that it is in our national interest that Alaska should move ahead. Taking the totals for Alaska and adding the Hawaiian operations, we have a grand total of $8,790,000.

That makes a total of $41,580,000 for domestic and Territorial area operations.

The international operations are divided into transatlantic operations, transpacific operations, and Latin

American operations. The trans-Atlantic operations amount to $2,669,000, the trans-Pacific operations amount to $2,262,000, and the Latin American operations amount to $16,176,000.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. The total for the international lines is $21,107,000.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment.

The question of the Senator from Arkansas correctly indicates that Latin American operations call for a total, in the estimates furnished by the CAB, of $16,176,000 in the payment of next year's subsidies, and represent by far the largest group in the international field of carriers.

While I am thoroughly familiar with the hearings, of course I have had no chance to become thoroughly familiar with all the facts, but I would assume that there is no such volume of passenger and mail carriage to the various component parts of Latin America as there is to Europe, as there is to the United Kingdom and other nations across the Atlantic, or as there is across the Pacific. Incidentally, we learned in the hearings that one of the important factors in the transpacific business was the carriage of Armed Forces mail, because we do have very sizable bodies of troops in the Pacific, and, as the Senator well knows, they are served in large part by airmail.

So that the only real answer which the Senator from Florida could advance would be that, looking at the fanned out scale of operations to Mexico, to the countries in Central America, to northern South America, and down both the Pacific coast and the Atlantic coast of South America, considering the long distances involved, and the very fine equipment and facilities which must be provided and maintained, there is not a sufficiently heavy volume of traffic, to make that operation profitable, as compared with transpacific and transatlantic operations.

Mr. FULBRIGHT. Mr. President, I should like to ask one further question, if the Senator will yield.

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. In establishing a route to Ecuador, let us say, by Pan American or by any other company—and of course Pan American is the largest in that service—is the route requested by CAB? In other words, does CAB request that a certain service be instituted to a particular point in Latin America, or does the company initiate its own service?

Mr. HOLLAND. I am told by the clerk of the committee, who has approached CAB on this point, that the initiation has sometimes come from the State Department for the consideration of establishment of routes to our friendly neighbors, but that the initiative does not come from CAB itself.

Mr. FULBRIGHT. I think that is a point that should be developed in the future. We know how the feeder lines, as we call them, get started, and of course I am in sympathy with the purpose of and the justification for airline expansion to South America. So, I was wondering whether the State Department or the Commerce Department or some other agency of our Government initiates a request that Pan American, for example, should start service to a Latin American country. I think it would be informative and interesting if we had that kind of information.

Mr. HOLLAND. The information which I am able to offer is that the State Department has on occasion requested that CAB investigate the possibilities of establishing such service, and has requested one of the carriers to apply for the institution of a line to one of the friendly Latin American countries.

Mr. FULBRIGHT. I should like to ask one further question. I read in the newspapers today and yesterday that there has been reached a tentative agreement giving the new German airline the right to serve South America from some local points in the United States, and that that has raised a terrific howl on the part of some of our companies, who are opposed to it. I was wondering how that development fits into the picture of substantial subsidy payments to airlines serving the same areas, and whether such service is in furtherance of a policy by our Government aside from the interest of a given airline in making money by establishing that kind of service. I believe that is a rather interesting point.

Mr. HOLLAND. Of course, the Senator from Arkansas is correct in his suggestion, and I will follow it through by saying that unquestionably it is a part of our international policy to have America represented in international air travel.

I am sure the distinguished Senator from Arkansas has had much more such travel experience than has the Senator from Florida. However, the Senator from Florida has ridden on a KLM plane, which is the Dutch airline, from Miami to Caracas, Venezuela. The Senator from Florida has also seen planes of the British lines, of which I believe there are two, which serve Nassau and the other Bahama Islands, and the Senator from Florida has observed planes of our own carriers serving that area.

I believe it is wholesome and sound competition in the international field when our Government sees to it that the American flag is carried on the routes of trade internationally. I am sure every Senator on the floor has voted for legislation which supports that view. Certainly we should not be surprised if on analysis of the figures we find that the extension of American airline service to Latin America is more expensive in subsidy, due to the more limited travel possibilities and the tremendous distances involved in some cases, than is the service across the Pacific and across the Atlantic which carries heavy traffic, both passengers and mail.

Mr. FULBRIGHT. I should like to compliment the Senator on his statement. I was trying to make the point that there are involved in this question matters other than merely the financial and economic conditions, and that they should be given due consideration. I agree with the Senator that our country should have adequate representation in international airline service. There is only one reservation I would make—and I believe the Senator has covered that very well—that the bookkeeping ought to be very carefully done. I hope the General Accounting Office is checking the figures very carefully. The companies do their bookkeeping pretty well, and I think the General Accounting Office should do its bookkeeping equally well.

Mr. HOLLAND. I certainly appreciate the comment of the distinguished Senator from Arkansas, and I agree with it completely. Perhaps it would be well to add the basic comment that a subsidy is approved when a company cannot, on the average, carry a large proportion of its capacity, and of necessity has to travel with only part of its capacity filled, whether it be by passengers, whether it be by mail, or whether it be both. That is the reason why the feeder lines of the United States show a need for greater subsidies than do the great trunk lines. It seems to me, without claiming to have particular familiarity with the subject, that as a matter of common knowledge we can say that is the reason why carriers operating to Latin America show the necessity for a greater subsidy than do those operating across the Atlantic or across the Pacific.

Mr. NEUBERGER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. NEUBERGER. I should like to ask a question of both the Senator from Florida and the Senator from Illinois. The question of airline subsidies is a matter, among many others, about which I know very little. I represent in part a State which has some very small isolated communities which are served by very small feeder airlines. Without such feeder airlines there would be no service whatsoever. The landing fields are not adequate to accommodate the planes of the larger airlines.

This is what I should like to know: What effect would the amendment of the distinguished Senator from Illinois have on such a situation?

Mr. DOUGLAS. Technically, I have no amendment.

Mr. NEUBERGER. I refer to the Senator's proposal, or the issue he is raising. What would be the effect on the ability of some of the small feeder airlines to continue to operate? They are marginal operations. They have not made great profits, but if they should fail and go under, the small communities to which I have referred would have absolutely no airline service whatsoever.

Mr. HOLLAND. Mr. President, I should like to answer the distinguished Senator from Oregon, and then I should like to yield to the Senator from Illinois in order that he may answer.

Directly, there would be no immediate effect, because the amount of the obligation of the United States to the airlines

is created not by the appropriation, but by the rate fixed by the CAB under laws which we have passed and under directions given by the Congress. But if airlines are forced to operate and are not able to receive their subsidy payments promptly, in the first place, it will make it more difficult for them to operate, because they will have to operate on an interest-paying basis.

In the second place, it will make it more difficult because even if they are able to hold on and see it through, they will never get on a nonsubsidy basis because the interest they pay is an expense which is allowed as a part of the operating expenses which contribute to the rate.

In the third place, if this kind of policy should prevail generally and if Congress should refuse to recognize the obligation of the United States, which is what the House committee report recommends, ultimately there would be chaos, and there would either have to be a restatement of the law, which, of course, would directly affect the small carriers mentioned by the Senator from Oregon, or Congress would have to face up to the problem in a much more definite way than by simply delaying payments. That is what the unwillingness of the distinguished Senator from Illinois to go along with the committee amendment indicates—an unwillingness to come to grips with the fact that we have got to pay our accounts and that we should leave our agency, the CAB, in a position to pay those accounts promptly when they are due.

Mr. DOUGLAS. Mr. President, there is no intention on my part to reduce subsidies to the feeder lines, which usually run north and south. The amount provided by the House, $40 million, would be ample to meet their subsidy claims, which amount next year to $25 million, and which may be less as the volume of traffic of the feeder lines grows. It would permit some payments to other lines.

Last year Congress cut the subsidies, but it did not affect the feeder lines. What it did affect was one company, Pan American Airways, and the real issue here is whether the subsidies to that company are or are not excessive.

Mr. NEUBERGER. I thank the Senator from Florida and the Senator from Illinois. A reduction might have a crippling effect, and could well be disastrous to an airline such as the Pioneer in the Rocky Mountains and on the west coast in Oregon.

Mr. DOUGLAS. Last year Congress acted to reduce the total subsidies and, so far as I know, those lines did not lose anything.

Mr. HOLLAND. Mr. President, to make my answer more complete, I should like to invite attention again to the figures which I placed in the RECORD before the Senator from Oregon was able to reach the floor. They show that of the $63 million in the budget, $25,135,000 is for local service carriers, domestic lines; $2,928,000 is for helicopter service, which is also in the same category; and $8,790,000 is for Territorial air operations, mostly for the Alaskan line. So the Senator can see that all but $21 million of the $63 million directly affects the class of operation of which he speaks. The domestic lines occupy the largest part of this field.

When I said they would not be immediately affected, I should have called attention to the fact that the Congress does not determine the obligation; the obligation continues to exist. If payments are not made promptly, and the companies cannot pay their bills, we are making it more difficult for the small airlines mentioned by the Senator from Oregon to operate.

Mr. President, I yield the floor.

Mr. DOUGLAS. Mr. President, the Senator from Florida has raised a number of issues. In the first place, he appealed to all friends of the chairman of the subcommittee, all friends of the committee, all friends of the administration, all friends of the General Accounting Office, all friends of the CAB, and stated that my motion was, in effect, a vote of no confidence in them.

I have the greatest respect for the energy and public spirit of the Senator from Florida and the other members of the committee, and I think he should not take this matter in any personal sense whatsoever. But there is a question of public policy involved. There is no question of personal dereliction on the part of any Member of the Senate. I think the General Accounting Office and, particularly, the CAB, have been negligent in the performance of their duty, to put it mildly, and I stand on that point. But I wish we could get away from the tendency of the committee chairman to view any opposition to the proposals which the committee advocates as a personal reflection upon the members of the committee, because certainly that was not my intent and is no part of my purpose.

The Senator from Florida made the plea that the Civil Aeronautics Board, after 15 months of nonaction, is now going to get on the ball and act. This has a very familiar ring, because when the hearings were being conducted last year the then Chairman of the Board made a similar promise, but nothing has been done in the meantime.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. I think the Senator has not correctly understood my statement, which was that the auditing and book work had moved ahead just as rapidly as possible; that the Chairman of the Board had requested Congress to provide funds for some additional book workers, so that the matter could be brought to a head at the earliest possible date.

I simply called attention to the fact that when in the case of an operation of many years duration it becomes necessary to restate it in terms of a new rule announced by the Supreme Court, and now followed by the CAB, it is not an overnight operation.

I called attention to the fact that the same lawyer who had successfully handled the case in the Supreme Court of the United States had now been moved up to the position of Chairman of the Board, in order that he could, as quickly as possible, follow through, and he has asked from Congress funds for additional help, so that he can follow through with greater speed. We have provided those funds. I appreciate the fact that the Senator from Illinois was agreeable to the granting of the additional aid by not opposing that particular amendment.

Mr. DOUGLAS. Of course. I merely wish to point out that the CAB has for many years failed in its job of auditing the accounts of airlines, and perhaps, in particular, in not auditing the accounts of Pan American Airways. It has had 16 months in which to get ready to settle up claims under the Supreme Court decision.

While the Senator from Florida is completely correct that there would be no offset against some of the companies listed, such as Western, TWA, and United, there would be claims of $6,800,000 against Pan American. To date, those claims have not been pushed. That is the item as to which I am speaking on the question of auditing.

The accounts of subsidiaries of Pan American have never been audited. Yet in 1953 they had a deficit of $2,500,000, which could only have been made good by Pan American, which in turn asked for the subsidies.

The subsidiaries are very interesting organizations. They include, but are not limited to, the "Ten Superb Hotels," which are advertised as attractions in the Pan American pamphlet I hold in my hand, and which have some very interesting descriptions, which I placed in the RECORD a day or 2 ago. They are obviously luxury hotels.

The description of the Hotel Grande, a picture of which I hold before me, says:

> Spacious guest rooms reflect the magnificence of the days of the Amazon throne.

I believe that every man in the United States should be a king; but I do not believe he should live like a king at the expense of the United States taxpayer. I do not believe the standards of the Amazonian throne should be saddled upon the taxpayers of the United States.

Other hotels are described. I observe in the photographs some very beautiful swimming pools, which are of a fashionable, kidney shape. I see scattered around them cabanas. I think that is the correct pronunciation; may I ask the Senator from Florida if it is correct?

Mr. HOLLAND. It is.

Mr. DOUGLAS. The cabanas enable those who go swimming to partake of the joys of life on the Latin American Riviera.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. I think the Senator from Illinois shows a very creditable acquaintance with cabanas; I am glad he has enjoyed them.

Mr. DOUGLAS. I am perfectly willing to enjoy them; but when I have enjoyed them, I have paid for them; I have never

used the Pan American air intercontinental hotel cabanas. I have not asked that the cost be saddled upon the taxpayers of the United States. And they have been rather inexpensive cabanas, too, I may say.

Here is a picture of another beautiful hotel, this one in Mexico City, the Hotel Reforma. The pamphlet states:

> The Cafe de Paris of the Reforma is served by spotless kitchens, an international staff * * * and the wine cellar offers a fine assortment of carefully selected vintages. The international society that congregates at the Reforma adds a further dash of color and excitement to a thrilling visit in Mexico City.

Mr. President, I have never mixed with international society. When I have traveled abroad, I have stayed at modest boarding houses. I have not wished to associate with the so-called international set. From what I have heard about them, I do not think they are particularly attractive.

But this attraction is held out as an inducement, yet the hotel is operated at a deficit which is added to the deficit of the Intercontinental Hotels Corp., which is owned 100 percent by Pan American, and therefore is paid for by the taxpayers of the United States.

I shall hold up the pamphlet, so that Senators may see the pictures of these beautiful hotels.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. Can the Senator from Illinois tell us the amount of money which is lost by Pan American each year on its hotel system?

Mr. DOUGLAS. In 1953 the hotels lost over $2,500,000.

Mr. LONG. Does the Senator have any later figure than that?

Mr. DOUGLAS. No, I do not; but I find on the outside of the folder a list of "10 superb hotels—with more to be added worldwide."

This is only a taste of things to come, provided the subsidies are kept up.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I wish to conclude my reply to the Senator from Louisiana.

The only reason, and it is a good and sufficient reason, why I do not have the information for 1954 requested by the Senator from Louisiana is that an audit has not been made. I managed to get the figures for 1953, which I placed in the RECORD. I may say that I have been carrying on an extensive correspondence with the General Accounting Office on this question, and have been able to extract some information from them and from other sources.

Mr. LONG. Mr. President, will the Senator further yield for a question?

Mr. DOUGLAS. I yield.

Mr. LONG. What concerns some Senators is that there are airlines which would like to compete for some of the business—not the hotel business, but the flying business.

Mr. DOUGLAS. That is correct.

Mr. LONG. For example, there are charter carriers and cargo carriers which would be delighted to compete, on a nonsubsidized basis, and to carry freight, mail, and other cargo in the international service. The CAB denies them the right to compete. It seems rather unfair for the Government to subsidize certain lines and to guarantee them traffic, while other lines are willing to operate without a subsidy.

Perhaps an amendment to the organic act would be necessary to make it possible for nonsubsidized lines to compete. However, it would certainly appeal to me if it could be made certain that the companies which desire a subsidy to haul the mail should not have a preference over companies which are willing to haul mail cargo and various other types of Government freight at no expense to the Government, and often at a saving.

Mr. DOUGLAS. I quite agree with the Senator from Louisiana. I think the CAB has progressed much further than the old theory of the chosen instrument. While it has not granted absolute monopolies, it has granted strong preferential treatment to Pan American.

A very important point has not been covered in the debate, but it should be made known. For example, Northwest Airlines recently was in a very shaky financial condition. That line competes with Pan American to Alaska. Pan American's Alaskan Division would receive a subsidy of $1,356,000, as shown on page 287 of the hearings, for the States-Alaska operation. Northwest Airlines receives no subsidy.

Northwest Airlines also flies the Pacific over the northern route to Japan. Northwest Airlines does not receive any subsidy for this.

Mr. LONG. Is Northwest Airlines permitted to fly to Hawaii?

Mr. DOUGLAS. The answer, I believe, is that they were allowed to fly into Hawaii only after the White House reversed itself.

Mr. LONG. Then, if Northwest Airlines flies on a nonsubsidized basis to Japan, what right has the Government to deny it the right to fly to Hawaii?

Mr. DOUGLAS. I think that is an extremely good question. I may point out that Northwest gets no subsidy on its transpacific operations, but Pan American, Pacific, gets a subsidy of $2,262,000. It was only because a group of Senators protested that the White House reversed itself.

Mr. LONG. Is Pan American still receiving a subsidy on its Pacific flights?

Mr. DOUGLAS. I believe no permanent order stands entered denying them the subsidy. There are some temporary orders, about which I should like to speak later.

Mr. LONG. It seems unreasonable that a nonsubsidized airline is denied the opportunity to share in the more lucrative business while a subsidized airline is guaranteed a monopoly of it.

Mr. DOUGLAS. The Senator from Louisiana could not be more right. That is the situation in the Pacific.

Now let us take the situation in the Atlantic. As we all know, there are two lines flying the Atlantic, TWA and Pan American. I hold in my hand the evidence, and I would appreciate it if the Senator from Florida would check me if I am not correct. On page 287 the subsidies for the trans-Atlantic subsidies are set forth. Trans-World gets no subsidies. Pan American gets $2,669,000 in subsidies.

Here are two lines and also competing against foreign lines. TWA gets no subsidy. Pan American gets $2⅔ million in subsidies.

In all, the subsidies which go to Pan American, or which are contemplated for Pan American, amount to $17,749,000.

Very frankly, we might as well face the issue. That is the item in question, which I believe should not be granted in its entirety. That is the item.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. The Senator from Florida also inquired about the same question, and found this was the answer. Trans-World Airlines, trans-Atlantic, flies mostly to points of great density of traffic. Pan American transatlantic serves Scandinavia; serves also some points of great density, but also points in Africa and Asia, which are not at all points of dense traffic. The difference between the two operations is that one is concentrated on the line of density, and the other is fanned out to give service wherever the CAB has felt it should be provided.

If the Senator will allow me, I should like to refer to the question of the hotels, since we were about to get away from that. After the speech of the Senator from Illinois some days ago the Senator from Florida inquired of the staff of the CAB on this subject, Mr. Mulligan, whose name has already been mentioned, and Mr. Roth, and received from them the assurance which the Senator from Florida now desires to give to the Senate. Insofar as the hotels are concerned, there is not anything in this matter which is allowed as an item in the Pan American claim for a rate. Insofar as the subsidiary lines are concerned, the Board is not allowing a part of the Pan American expense.

To make the point a little clearer and more final, I wish to call to the Senator's attention the fact that the very document from which he quoted and inserted in the RECORD, at page 8129, does not show the amount of $2,530,000 as an item of loss to Pan American. It would not have been figured in the operating claims if it had been so shown. Instead, it is an item of investment. Mr. Mulligan and Mr. Roth both assured us of that. There is no foundation for any sound statement that the operation of the hotels is financed by the taxpayers of the United States.

Mr. DOUGLAS. I may say to my good friend from Florida there is only one source from which the deficit of the hotels can be met, and that is Pan American, which owns 100 percent of the stock. There may be some bookkeeping legerdemain indulged in, in which an advance

of cash is shown as a loan or an investment, but it pulls down the cash position of the parent company.

What was done in this case, as I think I indicated, was that an advance of $2 million was made in a single day in July 1953 by Pan American to the hotels, and it was interest free. The loss of that interest will be an item of cost to the Government. So, in effect, we pay not only the principal, but we pay the interest plus the principal.

Mr. Woodbridge, comptroller of Pan American, who is also comptroller of Intercontinental Hotels, wrote himself a letter showing that the advance would be made as a loan. It may be carried as an investment, but it really pulls down the financial position of Pan American.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Kentucky.

Mr. BARKLEY. With reference to flights over the Atlantic, we all recall that for a good many years there persisted here an effort to create a monopoly in that field.

Mr. DOUGLAS. I believe that took place in the celebrated 80th Congress, by a Member of this body.

Mr. BARKLEY. A resolution was referred to the Committee on Foreign Relations, of which I happened to be a member at the time, but the resolution was not adopted. I wonder, however, if the situation to which the Senator from Illinois has called attention, the fact that one company has a subsidy and the other has not, has any reference to that effort of a few years ago.

Mr. DOUGLAS. The Senator from Illinois tries not to be a suspicious person.

Mr. BARKLEY. The Senator from Illinois shows some success in that field.

Mr. DOUGLAS. In not being suspicious?

Mr. BARKLEY. Yes.

Mr. DOUGLAS. The situation was presented of an American airline company which tried to get a monopoly of all of the foreign aviation business, and it had powerful backing in the Senate. We all know that to be a fact. It failed to become the chosen instrument. It failed in seeking to become the exclusive monopoly. But its position has been favored and privileged since then. That airline tends to get the choice routes, as the Senator from Arkansas [Mr. FULBRIGHT] brought out. It tends to get the subsidies when the "kissing" takes place. So far as subsidies are concerned, Pan American is always under the mistletoe.

Mr. BARKLEY. Does the Senator know—and I am asking this question purely to obtain information, because I have no information and no suspicion about what I ask—to what extent the CAB and the aviation authorities sympathize with the monopolistic effort to which we have alluded?

Mr. DOUGLAS. I cannot read their minds. It would be very improper for me to impute any motives to them, but I would say that a large number of decisions seem to have gone in favor of Pan American, or at least the final actions taken have been in favor of Pan American. Since I am now attacking the present administration of CAB, I must in all candor say that the preceding administration was not wholly spotless.

Mr. BARKLEY. I thank the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Kentucky.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. I should like to have the RECORD show at this time that the Senate showed its customary good sense by refusing to respond to the monopoly effort to which the Senator from Kentucky has adverted; that the Senate at the same time has continued and has enlarged and has built upon the structure of CAB, in an effort to make it such an agency as could best represent our Government in doing the things which Congress has approved as being proper, and that it is payday when that agency comes forward and tells us how much it needs to pay for the obligations which it has created under the law.

The question of the effort to get a monopoly brings forth only one comment from me, and that is that the Senate showed its customary good sense in refusing that request. The Senator from Florida was here at the time, and he joined in refusing the request. I do not believe that my friend, the Senator from Illinois, was here at that time. Perhaps he did not know about it. But the fact of the matter is that now we have a payday, with a General Accounting Office check on it, to tell us how much we should pay; and the Appropriations Committee is endeavoring to recognize, not the entire bill, but a sufficient amount of the total bill, so as to allow this agency we created, the CAB, under the control of our other agency, the General Accounting Office, to keep fairly current the obligations which are created under our direction and under the law we passed.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield at this point, to permit a further interruption?

Mr. DOUGLAS. Yes, indeed, Mr. President.

Mr. BARKLEY. Going back to my interrogatory, I merely wish to emphasize that, being opposed to monopolies in any form, I also opposed that effort on the floor of the Senate. At that time I happened to occupy a responsible position.

Mr. DOUGLAS. Yes; the Senator from Kentucky was then the leader in the Senate of the Democratic Party.

Mr. BARKLEY. I am opposed to monopoly in any field—whether in aviation, railways, merchandising, or elsewhere. I have always been opposed to monopoly.

My question of the Senator was prompted by an interest in knowing whether, despite the refusal of the Congress to grant that monopoly, it has been brought about to some extent or has been encouraged by those who have administered the laws.

As I said, I was interested in obtaining the information, because I myself have no knowledge of it. But the circumstances pointed out by the Senator from Illinois are certainly worth considering. However, that may raise another question from the one now before us, if we have a legal and moral obligation to appropriate this money under existing legislation. That may raise the question of whether we should change the fundamental law or whether we should vote for the recommended appropriation. To me, that raises a question of good faith on the part of the Government.

Mr. DOUGLAS. Mr. President, I appreciate the position of the Senator from Kentucky, who, as he has said, always has been opposed to monopoly.

I repeat that an absolute monopoly was not allowed or granted. Some degree of competition was permitted. The good routes seemed largely to go, somehow, not to the chosen instrument, but to the favored instrument.

So far as the Atlantic is concerned, Pan American is the only line which receives a subsidy. TWA does not receive a subsidy for its Atlantic flying service.

Mr. BARKLEY. I suppose in that case the biblical statement of "Many are called, but few are chosen" would apply.

Mr. DOUGLAS. That is correct.

In the Pacific, Pan American is the only line, I believe, which receives a subsidy. Northwest Airlines does not receive a subsidy for its Pacific service. Northwest Airlines, which certainly has had a much more shaky financial record than has Pan American, flies to Alaska, but does not receive a subsidy for it. However, Pan American receives a subsidy for flying there.

In this case we find that favors are granted to a corporation which, on the whole, does not particularly deserve or need them.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, first I wish to place some additional material into the RECORD. The Senator from Florida has said that the earnings of Pan American are below the average rate of earnings of domestic lines.

Mr. HOLLAND. No, Mr. President; I did not say that.

Mr. DOUGLAS. I thought the Senator from Florida said the earnings of Pan American amounted to a little more than 6 percent, and that in the case of domestic lines the earnings amount to somewhat more than 8 percent.

Mr. HOLLAND. No. I read into the RECORD, from material furnished by the CAB, the record of earnings as of December 31, 1954, in the case of several lines. Pan American was one of them, and its earnings amounted to 6.6 percent. But I made no reference at all to the average earnings of domestic lines.

Mr. DOUGLAS. Let me say that I have before me a brief in a case before the Civil Aeronautics Board, with an exhibit by the Bureau counsel; and I

ask consent to have excerpts from the exhibit printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXHIBIT BC 401

Pan American-Atlantic division—Reopened transatlantic final mail rates—Excess earnings of Pan American divisions proposed for offset against Atlantic division mail pay

[In thousands]

	1951		1952		1953			Total years 1951–53
	Pacific	Alaska last 6 months	Pacific	Alaska	Pacific	Alaska	LAD	
Habana Airport rental income not accrued by PAA							$247	
Total adjustments	$389	−$11	$236	$6	$152	$8	1,946	$2,726
Adjusted net income before taxes	7,068	633	7,498	527	7,268	376	9,610	32,980
Actual taxes as revised from amounts in PAA stipulation I and per PAA information request (revised) for 1953	3,309	275	3,204	293	3,449	183	3,553	14,266
Tax effect of Habana Airport revenue adjustment							128	128
Adjusted profits after taxes	3,759	358	4,294	234	3,819	193	5,929	18,586
10 percent return on investment (see exhibit BC 405)	2,481	108	2,725	253	2,934	297	4,119	12,917
Excess earnings available for offset	1,278	250	1,569	−19	885	−104	1,810	5,669
Excess earnings plus tax effect, at 52 percent								11,810

EXHIBIT BC 405

Pan American Atlantic Division—Reopened transatlantic final mail rates—Pacific, Alaska, and Latin American Division investment 1951–53

[In thousands]

	1951		1952		1953		
	Pacific	Alaska[1]	Pacific	Alaska	Pacific	Alaska	LAD
Investment:							
Working capital	$6,421	$1,392	$7,900	$1,539	$8,259	$1,435	$14,704
Fixed investment:							
Before AOA offset	19,206	767	20,248	990	21,727	1,534	26,556
AOA offset	−813		−896		−650		−66
As adjusted	18,383	767	19,352	990	21,077	1,534	26,490
Total investment	24,814	2,159	27,252	2,529	29,336	2,969	41,194

[1] Average investment for last half of 1951.

Mr. DOUGLAS. The brief shows that the earnings of 3 of the 4 Pan American divisions, for the year 1953, was $9,940,000 and that the total investment of these 3 Pan American divisions including the Pacific, Alaskan, and Latin Americans divisions was fixed at $73,499,000. So, assuming that the figures on earnings and valuation are comparable, the net earnings would be somewhere over 13 percent on investment for these 3 divisions.

I may say that in all these matters it is very difficult to get consolidated figures, because Pan American and the Civil Aeronautics Board submit separate figures for separate divisions, for differing time periods; and it is very difficult to dovetail them. Unless the CAB holds a consolidated subsidy proceeding covering all divisions of Pan American together for the same time period, it is very hard to carry into practice the principle the Supreme Court laid down in 1954, namely, that the earnings of the company should be taken in their entirety, rather than for each division by itself.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield to me at this point?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. The Senator from Illinois has said exactly what I have said twice already, namely, that it is very hard, particularly when we go back to a period many years prior, and that the only reason for the delay on the part of the Civil Aeronautics Board—so the Board tells us—in making the offset an accomplished fact, is that it has been trying very hard to complete its audits, and has requested additional auditors. We provide for them in this bill.

Furthermore, in order to make sure that the principle of the Supreme Court's decision would be carried out promptly and successfully by the Civil Aeronautics Board, the very lawyer who successfully represented the United States in securing the decision was made Chairman of the Board.

Mr. DOUGLAS. Let me say that the Civil Aeronautics Board has made its own task more difficult by refusing to order Pan American to submit to a consolidated subsidy proceeding for all divisions for the same periods of time and to consolidate for the various divisions. It would have been a perfectly simple matter for the Board to have said, years ago, "We will audit on the basis of a calendar year or on the basis of a fiscal year, and you will submit the returns for each unit, but will consolidate them into a whole." That would have been perfectly simple, and would have been the natural thing to do. But the Board did not do that.

Sixteen months ago, the Supreme Court handed down this decision, as a principle. But to the best of my knowledge and belief, the Civil Aeronautics Board still has not required Pan American to submit to be a consolidated proceeding. So if there have been difficulties, they have been largely self-created or self-acquiesced in.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. Does not the Senator from Illinois think that each of the carriers making accounts and reports from year to year was justified in reporting, and probably should have reported, in the form then required by the Civil Aeronautics Board?

Mr. DOUGLAS. I am trying to say that what we are really dealing with in this case is one company, Pan American; and that it should present a consolidated picture, and the Civil Aeronautics Board should order Pan American to do so; and that the Board should have ordered Pan American to do that a long time ago.

Mr. HOLLAND. Then the Senator from Illinois is saying that during all the time when the Civil Aeronautics Board was enforcing the law then existing, as the Board understood it, by allowing the form of accounting which then was followed by all airline companies, Pan American should have been following some other form, and should have been making its returns in a shape or way now required under the Supreme Court's decision and now, through the Civil Aeronautics Board, required both of Pan American and of every other line.

It seems to the Senator from Florida that nothing could be further from sound business than to take any such position. Of course, the regulated carrier was filing, from year to year, the reports required by the regulatory agency. The regulated carrier was filing exactly the reports it was required to file. To say that it should have begun to comply with the Supreme Court decision years before it was rendered is, on the face of it, rather ridiculous.

Mr. DOUGLAS. The Senator from Florida mistakes the position of the Senator from Illinois. There is a real question involved in this connection, as to who is being regulated, and who is the regulator. The CAB is supposed to be the regulator. Pan American is supposed to be the regulated carrier. At times it seems to me that it is Pan American which is the regulator. It seems to be regulating itself. That is the tendency all too frequently in the case of utilities.

What I am saying is that CAB should have provided uniform consolidated accounting for the same time periods, instead of a hodge-podge in which there are differing time periods for various divisions, making it very difficult to obtain a general picture. But I think I have discussed that subject long enough.

I wish to make another point. The hotels are not all the subsidiary activities of Pan American. It has other subsidiaries. So far as I have been able to discover, it has an interest in the Bermuda Development Co., Ltd. The share of Pan American is $189,880. To the best of my belief it also has an interest in the Caracas Country Club, the Golf Club of Lima, the Middle East Real Estate Co., and so forth. I submit that these are not activities which, either directly or indirectly, should be subsidized by the United States taxpayers.

Mr. President, I have tried thus far to cover two points: First, that the decision of the Supreme Court sets up claims of $6,800,000 against Pan American, which have not been prosecuted to date, and which can be used as an offset against any subsidy which may be owing.

Second, the subsidiaries involve Pan American in large losses, which necessarily weaken its financial position, and therefore tend to require a larger subsidy from the American public.

Let me turn, now, to the question of taxes, with which I began my speech of Tuesday. We have an extraordinary situation, in that the corporation taxes paid by Pan American are not really paid by Pan American, but are paid by the Government and by the taxpayers, to the apparent amount of $9,300,000 for the year 1953. To my mind this is truly an extraordinary situation. The same privilege is not granted to other lines to anywhere near that degree. For example, consider American Airlines. I believe that only $330,000 of its taxes is paid by the Government; and it is paid on the basis of the fraction of airmail traffic carried by American Airlines. I think that is an honest measure. In the case of American, it amounts to about 3 percent, as I understand, of the taxes which it pays. That practice is followed in the case of the other companies.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. How would the CAB go about allowing taxes for American Airlines when American Airlines does not receive a subsidy, and is not one of the companies entitled to receive it?

Mr. DOUGLAS. The Post Office Department makes the payment.

Mr. HOLLAND. I think the Senator from Illinois inadvertently made a statement a moment ago which I do not believe he would wish to have stand in the RECORD. I understood him to say that Pan American was accorded different treatment in this regard from that accorded other companies. The statement which we received from CAB, upon inquiring into that subject, is that exactly the same rule is applied to all companies in this regard, and furthermore, that the allowance for taxes is supported by a ruling of the General Accounting Office. I hold in my hand a letter from the General Accounting Office, signed by the Comptroller General, and dated October 22, 1954. There is a great deal more to the letter, but I quote this portion of it:

> Hence I am of the view that legal authority exists for the inclusion of Federal income taxes as allowable costs in computing mail pay rates, whether for "service" or for "need" purposes.

I wish the RECORD clearly to show that the General Accounting Office, which is the arm of the legislative branch to check on this procedure, has directed CAB as to what it can do in this regard. I think it is doing it, and that it is doing it equitably with respect to all carriers. However, it cannot do it in connection with carriers which are not entitled to receive subsidies.

Mr. DOUGLAS. I point out to my good friend from Florida that the tax credits granted to other companies are in connection with postal rates, according to the percentage of the space capacity actually required for carrying the mail.

However, here we have a case in which not only 100 percent, but, as I shall show, in some cases more than 100 percent, of the taxes are met, on the most heavily subsidized lines. If the Senator from Florida is correct in his statement that the same rule is applied to all subsidized lines, then I suggest that the rule needs modification, because there is a very great difference between meeting the tax costs for an electric utility and meeting the tax costs for air carriers. In the first place, an electric utility has a monopoly which the air carrier does not have.

In the second place, most of the traffic of the air carriers comes from other sources than the mail. The mail constitutes not more than 10 percent of the traffic carried by such lines, yet 100 percent of their taxes is assumed by the Government. I think the situation raises very real questions. If this is the general practice with respect to all subsidized lines, a question is raised as to whether the subsidy should be continued. I think the Senator from Florida has given support to the position of the House that not more than $40 million should be granted.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. It seems to the Senator from Florida that if the Senator from Illinois will only think through his position, he will realize how completely foolish would be the situation in which the CAB would be left if it were required to make payments of subsidies to a carrier at the same time the carrier owed income tax to the Government. If CAB did not offset, it would indeed be in an unsupportable position.

It appears to the Senator from Florida that the opinion of the General Accounting Office, which he has just read into the RECORD, states not only what is good law and sound auditing practice on the part of the Comptroller General, but it also states commonsense. I say that because I do not know how it would possibly be supportable as a commonsense operation for a Government agency to pay a subsidy to a corporation which owed another arm of the Government—owed the people of the United States, in other words—income taxes. Therefore, the ruling of the Comptroller General is that the law permits, and the Comptroller General so directs, that where there is a mutuality of accounting of that sort, instead of being put into the impossible situation of paying out money to the corporation and then leaving it to the corporation's pleasure to determine later whether the tax shall be paid; the short and more direct route will be followed, namely, the subsidy is paid to the income-tax collector.

Mr. DOUGLAS. If we may turn from the technicalities of the law to the substantive matters of fact involved here, the fact remains that Eastern Airlines gets only 1.4 percent of its taxes returned through its mail pay. American and United, each of which carries more mail than Pan American, get only 3 or 4 percent of their corporate income tax paid by CAB through mail pay. Of course, they receive no subsidies.

There is one interesting point connected with this matter, namely, that tax allowances are paid by the Government to certain airlines in anticipation of what their taxes may be, and in that connection the evidence shows that we have paid certain airlines more as tax allowance than the taxes have actually amounted to, and that they have had a windfall of 2 or 3 percent. The material I have prepared indicates that in the case of Pan American we have paid 102.6 percent of its taxes. This fact was admitted by CAB, because on page 2120 of last year's hearings I find the following quotation inserted from page 2 of CAB Order E 4561, of August 25, 1950, in which the Civil Aeronautics Board admitted:

> In computing such tax allowance in previous cases, however, the basis used has in many cases resulted in making provision for a greater amount of the tax than would ever be paid by the carrier.

In questioning the CAB representative at last year's hearings, as we may see on page 2166, his answer was that that statement was unquestionably correct, and he further admitted that this policy undoubtedly resulted in a windfall to some carriers in some years.

The hearings of last year also indicate that one airline received a windfall of $1¾ million, and CAB was requested to answer the affidavit that had been made in that case and to produce any other cases of windfalls.

Later, according to last year's hearings, CAB was requested to state, first, who got the tax windfall, second, how much the tax windfall amounted to, and in what year, and, third, what if anything had been done to recover the money. Last year CAB failed to answer these questions.

It is my further understanding that during the open hearings held by the appropriations subcommitee, in the presence of witnesses—although the exchange is not printed in the hearings—Messrs. Roth and Mulligan, of the CAB staff, stated that a precise answer was not possible.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. I note the Senator has quoted from page 2166 of last year's hearings, and I believe the Senator omitted the real meat of the statement by CAB. Therefore, I should like at this time to call the Senator's attention to this statement. Immediately following the quotation which he read into the record appears the question of the Senator from West Virginia [Mr. KILGORE] and the answer of Mr. Roth, under the heading "Steps to Recapture Overpayment."

The Senator from West Virginia [Mr. KILGORE] asked this question of Mr. Roth, of CAB:

Senator KILGORE. What steps have been taken or what steps can and will the CAB take to recoup the extra money which is given to airlines for the purpose of enabling them to pay tax, part of which apparently they kept since they paid it into the Federal Treasury on orders given them by the Civil Aeronautics Board?

Mr. ROTH. The decision to which you refer was in 1950. That was only a tentative decision and is not yet final. That is all part of the Transatlantic Mail Rate case. However, in all decisions since that time—

That is 1950—

the Board has gone on the actual tax policy. Actually, the Board's decision was in a different docket number, involving Western Airlines.

And so forth. I shall not read the rest of the answer. The Senator from Illinois may read it if he wishes to do so. However, the answer makes it clear that that policy was in effect in 1950, but that the payments since that time had been made on the basis of actual taxes.

Mr. DOUGLAS. Mr. President, have the windfalls been recaptured?

Mr. HOLLAND. I am unable to say. However, we asked the CAB whether there was any recapture provision in the law similar to the one that is in effect with reference to the Maritime Board, and they replied there was not.

Mr. DOUGLAS. In other words, they have not recaptured these amounts. Is that correct?

Mr. HOLLAND. In other words, the agency of the Government to bring about recapture is the Internal Revenue Service or the Department of Justice, not CAB. That situation results from the law which Congress passed, and not from any attitude on the part of CAB.

Mr. DOUGLAS. I believe the answer to the question is that the recapture has not been effected.

I should now like to deal with the question of audits. It is stated that very careful audits have been made. I should like to point out that no audits whatsoever are made of the subsidiaries. No efforts have been made to date to recover on the offsets of past overcharges caused by not considering the operations of these lines as a whole. Furthermore, they are indulging in very questionable practices in meeting income taxes.

What is the auditing practice? The practice, as I am informed—and I believe this to be correct—is to pay the claims as submitted, but not to make an audit of them until 2 years later. What kind of business is that, Mr. President, to accept statements of claimants, but to withhold for 2 years making any check in order to determine whether claims are justified?

Therefore I cannot understand the Senator from Florida when he says that an accurate auditing system has been put into effect by governmental agencies.

Our sister body, the House of Representatives, is as careful about the rights of private enterprise as we are. Its committee went into this subject very thoroughly this year. I should like to call attention to the report of the House committee, at page 4. Does the Senator from Florida have that report?

Mr. HOLLAND. I have that report. We had it throughout the hearings. We based our every activity upon a careful consideration of the report of the committee of the House of Representatives in connection with that particular agency, and in this particular case of the CAB, we certainly had a check and a recheck made of the items to which the Senator is adverting.

Mr. DOUGLAS. I should like to read what the House committee said on page 4 of its report:

The sum of $40 million is recommended for the coming fiscal year for this purpose, a reduction of $8,900,000 below funds appropriated for 1955 and a reduction of $23 million in the budget estimate.

Therefore the Commerce Department, in my judgment, is taking a very bad attitude in trying to boost subsidies as much as possible.

Now I come to the salient sentence:

The committee believes that substantial reductions can be made in payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made and if realistic practices in the handling of these claims are followed.

I submit, Mr. President, that the House committee is correct. A greater stimulus to careful auditing would be to reduce the appropriation, not let it remain at $55 million. Then the CAB would have to conserve its funds and recoup some of the money. It would go into the question of subsidiaries and audit current accounts much more carefully than it now does. But if we give the Board all the money it wants, that agency, which has made such a bad record in the past, will be encouraged to sleep in the future. There is nothing like tightening the pursestrings to stimulate a desire for economy.

Mr. President, I should like to invite attention to the fact that after the House cut the appropriation from the $63 million requested by the administration to $40 million, CAB entered some orders that looked pretty good. That was 9 days after the House acted, and when it seemed that the money was not going to be available. But the Board made those rulings only tentatively. While I do not wish to pose as a prophet or as the son of a prophet, I would hazard a guess that if we increase the appropriation, the tentative ruling made after the House acted may be revoked, if and when the total figure is known.

Mr. President, in conclusion, I wish to deal with the legal point raised by the Senator from Florida in the beginning, namely, whether we are obligated by the actions of the CAB.

In a democracy the appropriating body is the legislature. We can never allow an administrative agency to tie up the representatives of the people and commit appropriations in advance of the congressional action providing them. I should like to point out that until last year what we had was a combination of subsidy and mail rates. We could not distinguish between the two. We knew there was a lot of subsidy bound up in the mail rate, but it was very difficult to find out how much.

In the past I have tried to effect a separation, and have endeavored to decrease the amount appropriated for the mail rate in order to reduce the hidden subsidies, but I was unsuccessful. The Senator from Massachusetts [Mr. KENNEDY] made such an effort and was unsuccessful.

While I have sometimes been harsh with the administration, I wish to give it credit for issuing Order No. 10, which did provide for a separation of subsidy and mail rates. To my mind it was a very progressive, forward-looking, businesslike method. We are now voting on airline subsidies as separate appropriation items, no longer a part of the postal appropriation, but a part of the Civil Aeronautics Board appropriation. Congress appropriated less than the amount asked for. I wish to pay tribute to the House in this connection, and to say that there are a number of Members on the other side of the Capitol who have been very active in this matter, particularly Representative JOHN J. ROONEY, of Brooklyn, N. Y., who has made a magnificent fight.

Last year Representative HINSHAW, of California, made the identical point with which the Senator from Florida started out this morning. He argued that the prior recommendations of the Civil Aeronautics Board were legal obligations of the Congress, but it did not deter Congress from making the cut. As I remember, last year we did not raise the House figure. It was predicted by CAB that a great catastrophe would occur in January, February, or March of 1955, that it would run out of money and that American aviation would be driven from the sky. Yet such a catastrophe never occurred. Instead of restoring the $33 million cut which had been made, Congress, in a supplemental bill passed at the end of 1954, restored only $8,900,000.

Thus for the fiscal year 1954 $24,100,000 was saved to the American taxpayers; and as for the airlines, the predicted catastrophe never occurred. Instead, the airlines have reported for the first quarter of 1955 the highest profit in their history.

I submit, therefore, that this information deals with the question very thoroughly, but I should like to refer the Members of this body to a letter addressed to me by Mr. James P. Radigan, Jr., senior specialist in American law in the Library of Congress. I asked him

the question whether Congress is obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes. My question and his reply are printed on page 8135 of the RECORD. His answer was that Congress was not so obligated.

I have obtained supplemental opinions from Mr. Radigan dealing not only with the tax matter, but with the entire question of subsidies, in which he declares that the Civil Aeronautics Board does not have the authority to obligate funds for subsidies without action directly by the Congress.

Mr. President, I ask unanimous consent that these opinions of Mr. Radigan, addressed to my colleague and good friend the Senator from Massachusetts [Mr. KENNEDY], under date of May 13, 1953, May 19, 1953, and May 24, 1954, may be printed in the RECORD at this point in my remarks.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

EXTRACT FROM OPINION, MAY 13, 1953, BY JAMES P. RADIGAN, JR., CHIEF, AMERICAN LAW DIVISION, LIBRARY OF CONGRESS

Under the proposed reorganization plan, would the Civil Aeronautics Board have authority to obligate the funds for subsidies without action directly by Congress?

If by "without action directly by Congress" you mean without previous authorization and appropriation, the answer is "No." Article I, section 9, clause 7 of the United States Constitution provides: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law. * * *" This clause is a restriction upon the disbursing authority of the executive department, and means simply that no money can be paid out of the Treasury unless it has been appropriated by an act of Congress. *Cincinnati Soap Co.* v. *United States* ((1937) 301 U. S. 308). No officer, however high, not even the President, is empowered to pay debts of the United States generally, when presented to them. *Reeside* v. *Walker* ((1950) 11 How. 272). There is, however, under the present law (which would be true under the proposed reorganization plan) no method of controlling the amount allocated for individual subsidies except to the extent that the totals must not exceed appropriations. Under the present law, the cost of air mail transportation service and the amount of subsidies are consolidated and the rate of compensation is fixed by the Civil Aeronautics Board which the Postmaster General is obligated to pay from the appropriations for air mail transportation services. Under the proposed reorganization plan it would appear necessary to limit payments from the appropriation for air mail transportation services payable by the Postmaster General to the amount fixed by the Civil Aeronautics Board as the rate of compensation for these services. The payment of subsidies under the proposed reorganization plan would be made by the Civil Aeronautics Board from appropriations made therefor. It is not possible under the Constitution for any public officer or department to obligate the United States to pay any moneys whatsoever except pursuant to statutory authorization.

It is for Congress, proceeding under the Constitution, to say what amount may be drawn from the Treasury in pursuance of an appropriation, and if an officer, upon his own responsibility, and without the authority of Congress, assumes to bind the Government, by express or implied, contract, to pay a sum in excess of that limited by Congress for the purposes of such a contract, the contract is nullity, so far as the Government is concerned, and no legal obligation arises upon its part to meet its provision. *Hooe* v. *United States* ((1910) 218 U. S. 322).

From a practical point of view no airmail carrier or other air carrier would have a claim, other than moral, against the United States for any promised subsidies which had not been specifically authorized by statute and which had not been specifically allocated from funds previously appropriated. Congress has power to recognize moral obligations. *Marion & Rye Valley Railroad Co.* v. *United States* ((1926) 270 U. S. 280).

THE LIBRARY OF CONGRESS,
Washington, D. C., May 19, 1953.

To: Hon. JOHN F. KENNEDY.

Subject: Power of the Civil Aeronautics Board to obligate the United States for subsidy payments under the proposed reorganization plan and under S. 1360 of the 83d Congress.

Assuming, arguendo, that the proposed reorganization plan is valid, then the power of the Board to obligate the United States for subsidy payments would emanate from section 406 (b) of the Civil Aeronautics Act of 1938 (52 Stat. 998; U. S. C. 49:486). The pertinent part of this section, with respect to subsidies as distinguished from compensation for airmail transportation service after the effectuation of the division of the function under the proposed reorganization plan, would be: "and (the need), together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the postal service, and the national defense." The authority thus granted by section 406 (b) to consider the foregoing factor in the fixing of airmail transportation compensation is a rather nebulous basis upon which to predicate a reorganization plan under which an obligatory contract for the payment of subsidies may be made.

But even if it were sufficient authority to support obligatory contracts for the payment of subsidies, such contracts would be subject to the limitations of R. S. 3678 (U. S. C. 31:665), the first subsection of which reads: "No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law." If sections 483, 486, and 493 of title 39 of the United States Code, which generally authorize the Postmaster General to contract for carrying the mails, yield to this provision, as originally enacted, limiting expenditures so that appropriation is necessary for the employment of extra carriers, etc. (39 Op. Atty. Gen. 157), may it be logically contended that the general and indefinite terms of section 486 (b), pertaining to the consideration of the need for subsidies, would be outside the purview of such section? It is the settled and recognized policy of Congress to keep all of the departments of the Government, in the matter of incurring obligations for expenditures, within the appropriations annually made for conducting its affairs. *Sutton* v. *U. S.* ((1921) 256 U. S. 575).

The contracts likewise would be subject to the provisions of the act of June 30, 1906 (34 Stat. 764; U. S. C. 31: 627) which provides: "No act of Congress hereafter passed shall be construed to make an appropriation out of the Treasury of the United States, or to authorize the execution of a contract involving the payment of money in excess of appropriations made by law, unless such act shall in specific terms declare an appropriation to be made or that a contract may be executed." As those dealing with the Government must be held to have notice of these limitations upon authority (see *Sutton* v. *U. S., supra*), any contention that the grants or subsidies are not within the ambit of the limitations of this section is very tenuous.

If the power of the Postmaster General "to establish post offices" does not authorize him to bind the United States by a lease for a post office building, there being no appropriation therefor (*Chase* v. *U. S.* (1894) 155 U. S. 489), a fortiori the Civil Aeronautics Board may not bind the United States by a contract for the grant of subsidies in excess of appropriations. If, as stated in 6 Opinions of the Attorney General 28, one appropriation does not necessarily involve the undertaking of the Congress to make further appropriations, and does not of itself empower the President to engage the Government beyond the specified sum, it is impossible to support the allegation that the Civil Aeronautics Board may bind the Government to pay grants of subsidies made by it in excess of appropriations. The general public system for the appropriation and disbursement of public moneys is permanent and unless charges are within the objects for which an appropriation is made they cannot be applied to that appropriation. (28 Op. Atty. Gen. 634.)

The foregoing observations, with reference to limitations on the authority of the Civil Aeronautics Board to obligate the United States for subsidy payments beyond the amount appropriated and available, would likewise be applicable to the Board if S. 1360 were passed. There would be, however, the additional specific restriction of the bill found on page 5, lines 2–6, which reads: "Payments under this subsection (subsidies for essential aircraft operation) shall be made by the Board out of sums appropriated to the Board for such purpose, and there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection." This wording of S. 1360 also has the additional advantage over the proposed reorganization plan in that it grants a clear authorization for appropriations for subsidies as such, which is not found in the Civil Aeronautics Act of 1938, supra, the foundation for the payment of subsidies under the proposed reorganization plan.

JAMES P. RADIGAN, JR.,
American Law Division.

MAY 19, 1953.

THE LIBRARY OF CONGRESS,
Washington, D. C., May 24, 1954.

To: Senator JOHN F. KENNEDY.

Subject: Reply to the criticism of Messrs. Stuart G. Tipton and Russell S. Bernard of the Air Transport Association of America of my memorandums of May 13 and 19, 1953.

"1. The Civil Aeronautics Board, when it fixes and determines fair and reasonable rates of compensation for the transportation of mail by aircraft pursuant to section 406 of the Civil Aeronautics Act does not create an obligation of the Government for the payment of money."

No contrary opinion on this point was given in my memorandums to you nor is the point now denied. There was no assumption on my part, nor was any statement made in the memorandums to you upon which an implication could be fairly drawn, that the establishment of a rate for mail transportation in and of itself created an obligation on the part of the United States. Further, it is a *non sequitur*, as are points 2 and 3 of the memorandum of Stuart G. Tipton and Russell S. Bernhard of the Air Transport Association of America. To establish the point that a fixed rate for service does not create an

obligation until the service is rendered, does not prove that the United States is legally obligated to pay the amount of subsidies found to be desirable by the Civil Aeronautics Board.

"2. When mail service is performed by an air carrier pursuant to the requirements of section 405 (g) of the Civil Aeronautics Act, an implied contract arises which is sufficient in law to support a judgment in the United States Court of Claims against the Government for compensation due."

Granted, but what has this to do with the Civil Aeronautics Board creating an implied legal obligation upon the Congress to appropriate the amount of subsidies which the Board feels the air carriers may need? Because there is a legal obligation to pay fair and reasonable rates of compensation for the actual transportation of mail by air carriers, it does not follow that there is a legal obligation on the part of Congress to appropriate the amount of subsidies found to be desirable by the Civil Aeronautics Board. Further, the case, *Capital Lines, Inc.* v. *Civil Aeronautics Board* (171 F. 2d 339), cited, hardly supports the rationale, or rather the supposition, that the right to subsidies is as obligatory as the right to just compensation. To the contrary, the court disposed of the contention that the Civil Aeronautics Act entitled air carriers to the readjustment of rates to insure profitable operation. The words of the court are as follows:

"The act, with its regulatory provision, is not intended to underwrite profitable operation of a carrier's business, any more than statutes imposing regulation of public utilities are intended to insure them a net revenue. *Federal Power Commission* v. *National Gas Pipeline Co.* ((1942) 315 U. S. 575, 590, 62 S. Ct. 736, 86 L. Ed. 1037), and cases cited.

"3. The obligation of the Government to pay for air mail services performed arises from the mandatory duties imposed upon the Postmaster General and the air carriers under section 405 (g) of the Civil Aeronautics Act, and the limitations of title 31, United States Code section 665, are therefore inapplicable."

The obligation of the Government to pay for air mail services is granted. The rules of the cases cited, however, are that the Interstate Commerce Commission (in a railroad case) and the Civil Aeronautics Board (in an air carrier case) do not have authority to fix rates retroactive to a period prior to the initiation of the mail-rate proceedings. The thesis that these cases provide a hypothesis for the proposition that United States Code, title 31, section 665 is not applicable to subsidies allocated to air carriers by the Civil Aeronautics Board, is a patent sophistry. To transport the exception in United States Code, title 31, section 665, "unless such contract or obligation is authorized by law", so as to convert the authority to determine the need for subsidies by air carriers granted the Civil Aeronautics Board into a binding contract, is a tour de force of legal verbiage which is bound to amaze, though not convince, the perceptive reader. That the Congress is not permitted to abdicate or to delegate its essential legislative functions to others (*Panama Refining Company* v. *Ryan* ((1935) 293 U. S. 338, 341); *United States* v. *Shreveport Grain & El Company* ((1932) 287 U. S. 77, 85), makes point 3 absolutely untenable.

"4. Reorganization Plan No. 10 of 1953 effects no substantive change in the provisions of sections 405 or 406 of the Civil Aeronautics Act."

The sentence quoted from the message of President Eisenhower in his letter transmitting Reorganization Plan No. 10 of 1953 is correct but, there is also to be found in such message the following sentences:

"1. The plan will transfer to the Board the responsibility for paying any amounts in excess of such compensation, this excess being the subsidy element of the aggregate Federal payment. * * * It will assure the Congress and the public of continuing information on the cost of this program. It will give the Congress an opportunity to review and take any appropriate action with respect to the level of subsidy aid in the course of the regular appropriation process."

This last sentence, in particular, certainly seems to be contrary to the underlying philosophy of the memorandum submitted by Messrs. Tipton and Bernhard, which can be nothing less than that the Congress has neither the right nor the power to review, or take any action in, the course of the regular appropriation process. Further contradiction of such a philosophy is found in the following statement in the decision of the Supreme Court of the United States in the case of *Transcontinental & Western Air, Inc.* v. *Civil Aeronautics Board* ((1949) 336 U. S. 601), 606: "Petitioners' reading of the Act (Civil Aeronautics Act) would in practical effect have the tendency to transform it into a cost-plus system of regulations, a construction which would not harmonize with the apparent design of the act."

Mr. Tipton himself, in testifying on Reorganization Plan No. 10 of 1953 (page 10 of the hearings of July 17, 1953), stated with respect to the proposed plan: "It requires the Civil Aeronautics Board to separate subsidy from mail pay. * * *" But now he contends that, although there is a separation, they are one and the same and the air carriers, in addition to compensation paid by the Post Office Department, are entitled on the basis of an implied contract to the subsidies fixed by the Civil Aeronautics Board free of powers of Congress with respect to appropriations.

JAMES P. RADIGAN, Jr.,
American Law Division.

MAY 24, 1954.

Mr. DOUGLAS. Mr. President, to confirm my statement that there are no proper audits of Pan American Airways, I should like to quote from a report of the investigative staff of the House committee, Report No. 207 of the House in connection with the second supplemental appropriation bill of 1955. I read from page 6 of that report, as follows:

The survey indicates that the Civil Aeronautics Board does not have accurate facts or figures regarding Pan American operations. Most of the subsidiaries have never been properly audited and some not at all, and there has not been insistence that the operations of the entire system be treated as an entity, as required by a recent Supreme Court decision. If corrective action were taken, substantial cuts in subsidy should result.

Mr. President, I am about to yield the floor. I may say that it is a matter of continual wonder to me that when appropriations are suggested to benefit the health of children, to aid education, or to provide assistance for those who are at the bottom of the economic ladder, they are commonly attacked. But subsidies for those who do not need them, subsidies for those who already have enough—these are regarded as proper. In other words, if one has a large amount of this world's goods, it is all right to feed at the trough of the American public. It is only the poor and the weak who are to be denied aid from the Government.

When the Government begins to pay subsidies to private groups, it sets up vested interests which are never satisfied, which demand more and more, and which, because of the subsidies, are able to set up powerful political lobbies.

It seems to me that in order to protect the public purse, a stop should be put to this. That is why I think the House was correct, and why I believe the Senate committee, with the best intentions in the world, erred.

I yield the floor, and ask unanimous consent that certain letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 7, 1955.

Hon. CARL HAYDEN,
Chairman, Appropriations Committee,
United States Senate, Washington, D. C.

DEAR SENATOR: I am enclosing herewith a letter I have received from Mr. Norman MacDonald, executive director of the Massachusetts Federation of Taxpayers Associations, Inc., in behalf of a $50 million reduction in the 1956 CAB airline-subsidy appropriation.

Mr. MacDonald has made a long study in this field, and inasmuch as it reflects a view which I have long held, I respectfully request that his letter be printed in the hearings of your committee.

With every good wish,
Sincerely yours,

JOHN F. KENNEDY.

MASSACHUSETTS FEDERATION OF
TAXPAYERS ASSOCIATIONS, INC.,
Boston, Mass., June 6, 1955.

Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am attaching herewith a complete statement by Postmaster General Summerfield of the assertions which have been made by his Department under the Supreme Court decisions of February 1, 1954, in the case of *Summerfield* v. *Civil Aeronautics Board*, which itemized assertions, you will note, total $50,798,000.

It is, of course, possible that the Postmaster General exaggerated, but if he did so, he succeeded in deluding the Supreme Court, which ruled for him, 9 to 0.

This point ought to be better understood than it seems to be by the new Chairman of the Civil Aeronautics Board, Mr. Rizley, since I note from page 2200 of the hearings of the Appropriations Committee a year ago on the Civil Aeronautics Board that Mr. Rizley's name appeared on the brief as one of the solicitors for the Post Office Department. It is, therefore, particularly surprising, since he has this background on the case, that in his new capacity as Chairman of the Civil Aeronautics Board he is now reiterating the self-protective argument made last year by the staff of the Civil Aeronautics Board.

At the time when the cut made by the House last year in the CAB subsidy appropriations was sustained by the Senate, June 4, 1954, one of your colleagues stated on the floor of the Senate: "The simplest way for us to recoup the money is to hold up on further appropriations until the debt is paid back. We do that in the case of Government servants, so why not do it in regard to the subsidized airlines?"

This argument has a plain, commonsense appeal to me and I hope it may have to you also.

I have noted in recent news items that on April 20, 1955, Trans World Airlines refunded $719,882 to the Government and did it by means of a check made out to the Civil Aeronautics Board. Subsequent news items indicate the Civil Aeronautics Board is using this money to pay the subsidy claims of local service or feeder airlines.

If that procedure can be followed in the case of the $700,000 from TWA, it seems to

me perfectly feasible that it can and should be done with regard to whatever part of $50,798,000 is finally adjudicated as due the Federal Government.

The fact that in the 15 months following the Supreme Court decision practically none of the $50,798,000 has been recovered for the Government prompts me to suggest that greater zeal will be shown by the Civil Aeronautics Board in recovering amounts due to the Government if they have to use the amounts recovered to pay future subsidies.

In the case of airlines which will continue to be receiving subsidies during 1956, and I believe that that is true of all except 1 of the 6 companies listed in the Postmaster General's letter, it should be possible for the Congress to force the Civil Aeronautics Board to deduct from the future subsidy payments the amounts which those same carriers owe to the Government. For example, if the Government proposed to pay Airline XYZ a subsidy of $17 million and discovered that under the Supreme Court decision that airline owed the Government $7 million, obviously the Government should not pay the 17 but should only pay the 10, in order that the 7 might in that way be recovered.

The Post Office Department officials themselves state that their assertions cover "amounts available as offset against the subsidy claims of the air carriers."

What needs doing is to force that offset to be made, and I can think of no better way to do it than to hold back on future appropriations.

I note with pleasure that my philosophy on this matter is shared by the House Appropriations Committee in the statement on page 7 of House Report 207 regarding the subsidies:

"The committee is of the opinion that the Supreme Court decision, if properly adhered to, will result in a substantial reduction in the amount of subsidy, and that the amount allowed by the committee will be sufficient to make payments during the remainder of the fiscal year to domestic lines and international carriers who are not affected by the Supreme Court offset decision."

The slowness of the CAB to implement the Supreme Court decision makes the average taxpayer suspicious that the Civil Aeronautics Board and the recipient airlines may be stalling off the settlement of claims by the Government while they proceed in their attempts to secure legislation (such as S. 3426 by the late Senator McCarran, or S. 1462 of the present Congress) to repeal the law upon which the Supreme Court decision was based.

The $50 million estimate by the Postmaster General mentioned in my telegram of April 15 to you, is only one of a number of very specific reasons why I urge a drastic reduction of the airline subsidy appropriations.

I would specifically like to see the Congress provide that none of the subsidies to airlines voted at the public expense be given for the purpose of paying the Federal income taxes of the recipient airlines. At the hearings last year on the CAB, page 2165, the Civil Aeronautics Board estimated that approximately $13 million out of the appropriations which they were requesting from your committee represented allowances which they planned to give to certain companies so that those companies might then pay their Federal income taxes. It appears to me that the granting of additional subsidies at the public expense to cover the Federal income taxes of certain airlines is a practice of very doubtful legality. Several court decisions supporting my point of view are to be found on pages 2261 and 2262 of the hearings of last year on the CAB appropriation for fiscal 1955. In one of those decisions the court held: * * * "The act, with its regulatory provision, is not intended to underwrite profitable operation of a carrier's business. * * *" If the Government is not obligated to provide a profit to a private airline at the public expense, the Government is certainly not obligated to pay, at the public expense, the Federal income taxes of certain private airlines.

A review of your hearings of last year reveals further abuse of this practice which might be entitled "Tax Windfalls." It appears that the Civil Aeronautics Board itself admitted (your hearings, p. 2120) that: "In computing such tax allowances in previous cases, however, the basis used has in many cases resulted in making provision for a greater amount of tax than would ever be paid by the carrier."

I hope you will ask the Civil Aeronautics Board and such other Federal agencies that may be involved what has been done to recoup these past overpayments or tax windfalls.

I hope you will also find out from the Civil Aeronautics Board how much these tax windfalls have amounted to in the many cases which they admit to have occurred and that you will further subtract that sum from future appropriations.

Still another abuse of subsidies which has been revealed in the hearings before the committee and before the House Appropriations Committee is the failure of the Civil Aeronautics Board to have subtracted from the expenses of subsidized airlines which are allowed by the CAB in computing their mail rate the expenditures by the recipient companies on extracurricular subsidiaries such as hotel chains. A list of the subsidiaries of subsidized airlines may be found on pages 2159–2164 of the committee hearings of last year on the Civil Aeronautics Board. Comparison of that list with the list on pages 387–388 of this year's House hearings on the 1956 CAB budget indicates that the expenditures and/or investment of subsidized airlines in extracurricular activities such as hotels and real-estate development companies have increased considerably. To take a specific example, you yourself can ask the Civil Aeronautics Board if it is not true that during the calendar year 1953 the airline for which they are proposing to give the largest amount of subsidy at the public expense, Pan American, spent some $2,500,000 more on its wholly owned subsidiary, Intercontinental Hotels Corp., than it received back. If the Congress were to force the CAB to subtract that $2.5 million from the airlines' expenditures in computing the mail rate to be paid to that airline, then the gap between the airline's total expenditures and its total revenues would be narrowed by $2.5 million and their claims for subsidies would accordingly be reduced by $2.5 million in a single year. Diligent interrogation of the Civil Aeronautics Board concerning the relationship of subsidized airlines to other subsidiaries noted on the list already in the possession of your committee would unearth other concrete economies to be achieved in the airmail-subsidy program.

In addition, I believe the taxpayers could be protected for the future if your committee were to state its intention that none of the airline subsidies appropriated by your committee were directly or indirectly to be used as expenditures or investments in nonaviation subsidiaries.

In conclusion, I feel that your committee must compare total "mail pay" expenditures (both so-called service airmail pay and subsidy) as proposed by the CAB for the fiscal year 1956 with the total expenditures for previous years. If you do so, you will find that the 1956 program outlined by the Civil Aeronautics Board is some $21 million higher than the 1955 program, which is certainly progress in the wrong direction.

The figures submitted by the Post Office Department to the Treasury-Post Office Subcommittee of the House Appropriations Committee on page 155 of their hearings on the 1956 Post Office budget (which has already passed the Congress) indicate that provision has already been made by the Congress for "service mail pay" for fiscal 1956 in the recordbreaking sum of $77,410,000. Now comes the Civil Aeronautics Board asking you for an additional appropriation, over and above the $77,410,000 of service mail pay which you have already voted, of $63 million in outright subsidies, or gifts at the public expense, for a total "mail pay" program for 1956 of $140,410,000. This proposal by the Civil Aeronautics Board for $140 million of mail pay and subsidies for fiscal 1956 would, if enacted by the Congress, be the highest appropriation for "mail pay" in American history. And all this is proposed at a time when the airlines are enjoying the largest profits in their history.

It should further be noted that fewer companies are scheduled to receive subsidies in 1956 than were scheduled to receive them in previous years, all of which makes the proposed increase still more unreasonable. Pan-American remains the only really large line receiving big subsidies. Recoupment of sums owing to the Government under the Supreme Court decision or under the heading of "tax windfalls" and so forth, should help bring in the money for such genuine subsidies as the small feeder lines may require for defense or experimental purposes without the necessity of voting the full appropriation. This whole airline subsidy program, which Congress started to reduce in fiscal 1955, has to be firmly and consistently scaled downward so we will very soon be able to eliminate this item of Federal expenditure entirely, and not just talk about eliminating it.

We have seen small justification for these huge subsidies. We find (Senate Appropriations Committee hearings on CAB of last year, p. 1717) that despite frequent intimations that these subsidies are serving a defense purpose, the specific defense activities of installing into commercial airplanes special military communications and navigation apparatus for the purpose of adding to the ability of those planes to perform military airlift in event of war has not, is not, and under the proposal of the Civil Aeronautics Board, will not be paid for by these Civil Aeronautics Board subsidies. Instead, this installation of defense features in commercial planes is being paid for by a separate appropriation within the appropriations for the Department of Defense.

While the action of the House Appropriations Committee on May 19 of reducing CAB subsidies by $23 million is a step in the right direction, I feel that it is not enough, and that a reduction of $50 million is called for.

A $50 million cut was proposed in House Report 1242 of the 83d Congress, but was not fully carried out.

You will note that even after a $50 million reduction in the subsidies, the total mail-pay-and-subsidy appropriations for fiscal 1956 would total $90 million, or more than was spent on this same item at the time when the Hoover Commission, alarmed at the rapid increase of "mail pay" expenditures, first called for reform.

You will also note that the specific items calling for a reduction in subsidies which I have fully described above, and which are a matter of record in your committee, total more than the $50 million cut which I am recommending:

Assertions by Postmaster General under Supreme Court decisions	$50,798,000
Income tax allowances (per year)	13,000,000
Minimum saving on nonaviation subsidiaries	2,500,000
Total	66,298,000

These items of reduction do not even include estimates of savings in subsidy spending which could be accomplished by complete and prompt audits, recovering tax

windfalls, disallowing large parts of expense accounts, eliminating overscheduling, lowering service mail rates.

You can, if you want, permit airline corporations who are appealing for a public dole at the expense of the American taxpayers to own and spend money on a string of luxury hotels in foreign countries; you can, if you want, permit the Federal income taxes of certain large airline corporations to be paid at the expense of all the other taxpayers; you can turn your back on the need for proper audits before the expenditure of airline subsidies is forgotten 2 or 3 or 4 or 5 years later; you can forget about the tax windfalls enjoyed by certain airlines which should be recovered for the Government; you can go on appropriating subsidies, at the public expense, to be spent in contradiction of the decisions of the Supreme Court, upon airline companies that owe—instead—enormous amounts of money to the public treasury—yes, you of the Congress have a free hand to appropriate as much or as little of the taxpayers' money as you wish to subsidize certain private airlines—but, if you have a reasonable regard for the welfare of the taxpayers of your State and of the Nation, and for the principle of thrift, you will vote whenever the opportunity offers to reduce the airline subsidies requested by the Civil Aeronautics Board by at least the $50 million documented in this report.

Sincerely yours,

NORMAN MACDONALD,
Executive Director.

Mr. HOLLAND. Mr. President, I wish to make a brief reply, while a reply is particularly appropriate, and I hope the Senator from Illinois will follow me.

The Senator has quoted, in support of his position that the Senate does not have to appropriate funds to meet lawful obligations of the United States, a letter, or a series of letters, from Mr. Radigan, of the legislative reference staff of the Library of Congress.

In the first place, it is no secret to the Senate that we do not have to meet lawful obligations of the United States if we do not want to do so. But it has been the uniform practice, since I became a Member of the Senate, when lawful obligations have been created and have come due, for the Senate to attempt to learn what they are and to do its part to meet them. I believe that is the present attitude of the Senate, as I know it was the attitude of the subcommittee and of the full Committee on Appropriations. It was for that reason that we made the recommendations which we did.

As to whether or not the items were legal obligations, I think the Senate is more concerned with what might be the attitude of the Comptroller General on this point than what might be the attitude of an attorney, no matter how able he may be, on the staff of the Library of Congress, because the General Accounting Office has been established to protect Congress in these matters, and to advise us as to how we can properly meet the obligations of the United States.

On this very point I read a paragraph from the letter of October 6, 1954, from the Comptroller General of the United States to the then Chairman of the Civil Aeronautics Board, former Senator Chan Gurney. This paragraph ought pretty thoroughly to dispose of the issue as to how an obligation of the United States is created in this field.

The statutory direction that the Board fix and determine fair and reasonable rates is independent of the direction that the Postmaster General pay such rates for the transportation of mail by aircraft. The rates are not earned, and neither the Postmaster General nor the Board incurs an obligation to pay them, until mail has been transported. In other words, determination of rates is disassociated not only from the function of payment but even from the incurrence of obligation. Hence, I am of the view that the existence or nonexistence of appropriations does not in any way restrict or interefere with the ratemaking duties of the Board.

The Comptroller General could not have made it more clear that it was the duty of the Board to fix rates after proper hearings; and that when the Board has fixed rates, the cold issue then is whether service was performed and the mail transported under them; and once the mail was transported under those rates, the operation was complete.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. If the Senator from Illinois will permit me to pursue my point a moment longer, I shall yield when I have finished. I have already pointed out that the present able Chairman of the Board was formerly Solicitor for the Post Office Department, and in that capacity succeeded in obtaining from the Supreme Court of the United States a decision which required the whole organization of any air operator to be considered for rate making as one entity. Now, as Chairman of the Board, he is trying to enforce that ruling as quickly as possible.

I read from his statement before our subcommittee as it appears on page 266 of the hearings. His statement, I think, was clearly in accord with that of the Comptroller General, and was clearly in accord with sound dealing, whether it be in the Government or in private business, as to when and how an obligation is incurred. Mr. Rizley testified as follows:

At this juncture I want to make an extremely important and fundamental point clear. It is the mail rate case that determines the level of a particular carrier's subsidy, not its so-called monthly claim. A mail rate case involves notice and hearing; in short, a formal proceeding. It is the Board's order issued in the proceeding which fixes the carrier's subsidy as part of its total compensation pursuant to section 406 of the act for a service rendered, i. e., carrying mail. The order constitutes, in effect, a contract between the carrier and the Government.

The Senate committee could not more fully approve the statement of the Chairman of the Board that when, after proper hearing, after proper notice, and after all parties have been heard, the CAB issues its rate order and the order becomes final—we all know that a right of appeal to the circuit court of appeals exists if injustice has been done—the carrier must comply therewith, and carry the mail, and when the mail has been carried, he is entitled to be paid, and his contract, based upon the order, is complied with when it becomes effective.

It seems so clear to me that that is fair course of dealing that I do not care to debate the question further.

I yield to the Senator from Illinois.

Mr. DOUGLAS. The opinion or opinions which the Senator from Florida has read are like the line in Gilbert and Sullivan:

The flowers that bloom in the spring, tra la, have nothing to do with the case.

The opinion from which the Senator has been reading deals with mail rates. Formerly the mail pay and the subsidy were joined together; but by Executive Order No. 10, which was not disapproved by Congress, and is now in effect, the mail rate and the subsidy are separated.

What we are considering today is not the mail rate, but the subsidy, which is subject to the determination of Congress. If we permit the CAB to determine the subsidy, we shall be permitting an administrative board to take over the functions of a legislative body. As a matter of fact, we are getting back to exactly the condition which existed prior to the separation of the subsidy and the mail rate.

Mr. HOLLAND. I think the Senator from Illinois could not be more completely wrong than he is, because, as we understand the matter, it is the mail rate which is basic to the whole question of determining what the subsidy shall be. When the mail rate is fixed, and after the Post Office has paid a part of it, in the event the company is in a position to claim a subsidy, it is then the remainder which becomes the claim.

It is a comparison between the mail rate and the service pay, and the application of one upon the other, which creates the right to a subsidy. If the service pay is greater than the mail rate, there is no subsidy; if it is less, then there is a subsidy. It is the remaining unpaid amount which constitutes the subsidy.

Certainly I do not seek to be unfriendly in this matter in the slightest, but it seems to me that the Senator from Illinois has his remedy; and he should pursue it, if he does not like the payment of subsidies, as many of us do not, by submitting a proposal to change section 406 of the appropriate legislation.

It seems to me that any Senator who believes that Congress should take legislative action, will find himself satisfied, because Congress has taken it in the adoption of section 406. It seems to me that if the Senator from Illinois does not like the CAB, he has a remedy. If he does not like the General Accounting Office and the way in which it enforces the law, he has a remedy. If he does not like the way this matter has been handled administratively, he has a remedy.

But to say, when he comes to the floor of the Senate on pay day, that he will not recognize the claim of the carriers—which have performed under orders which were established after due process, and which have, in certain instances, resulted in earned subsidies—is not to me at all in accord with the principles which the Senator really seeks to serve.

What the Senator wants to do is to change the law, and I submit he is not

taking the appropriate procedure at all to accomplish that result.

Mr. President, I yield the floor.

BIG FOUR MEETING AT GENEVA

Mr. McCARTHY. Mr. President, recent foreign policy developments have convinced me that the administration is fashioning the free world's worst defeat since the end of the Second World War. I have some words to say about these developments which I hope may be useful.

I shall be speaking mostly about the forthcoming Big Four meeting at Geneva. But what I want to emphasize is attitudes, not events, not the administration's acts and statements, but the complacent and visionary thinking the administration is encouraging—a mental atmosphere every bit as lethal to the free world's cause as an atomic fallout is to the tissues of the human body.

I have done my very best over the past weeks to understand the reasons for the dramatic turnabout in American policies. I might say, without pleading superior wisdom, that recent Soviet moves are frighteningly easy to understand. Researching American foreign policy is infinitely more taxing: Those chaotic sentences that are uttered at Presidential news conferences—which even Mr. Haggerty's editors are hard pressed to pound into a semblance of order—and the attempts of the Secretary of State to translate strategic concepts into chummy commonplaces, are formidable barriers to finding out what American policy is, let alone the reasons for it. But, if pressed, the struggle can be rewarding, and I think the answers come out pretty much like this:

The administration's present foreign policy is to cooperate in the current Communist peace offensive by having this country play the role of straight man for the Soviet Union. And the marginal reason for adopting such a policy is that the administration has a hunch that international communism no longer insists on conquering the free world.

I think it a fair statement that when the Eisenhower administration took office, it accepted, as a matter of course, the assumption that communism was irrevocably committed to rule the world. I think it is also a fair statement that 90 percent of the American people still entertain that assumption. It was and is an assumption that fully accommodates—in fact, anticipates—periodic switches in Soviet tactics within the framework of unswerving Soviet aims. I submit, Mr. President, that the present administration position is absolutely incompatible with the assumption of Communist implacability.

The administration is advising the American people that we may be witnessing a turning in the tide of history; it is telling us that the policies of strength and firmness are beginning to pay off; that the Soviet Union may—now—be feeling that it may be more convenient for them to conform to some of the rules and practices of a civilized community. In a word, the administration is saying that communism may have changed its mind about ruling the world.

Of all the administration's reversals and contradictions—which it has managed to bring off at the rate of about two a month since it took office—this altered estimate of Soviet intentions and strategy is, far and away, the most significant. Past reversals have had to do with tactics; this one involves a change of outlook and implies changes in our fundamental strategy. This one is indeed historic, and it may be fatal as well.

Mr. President, you may feel I am wrong in calling this a new policy; and you may cite the administration's past truck with the concept of coexistence. But I believe that the phrase "peaceful coexistence" was originally, in administration usage, a mere propaganda slogan—designed to placate our alleged allies. It is now clear, however, that the administration has, in Mr. Dulles' phrase, "got religion," and is a firm believer in the concept. The Big Four conference is no mere expedient for the Eisenhower administration. While the British elections may have influenced the timing of the invitation to the conference, it is now clear that the administration actively desires a meeting at the summit and earnestly expects it to be rewarding. This signal fact—that the administration believes we can profit from negotiations with Communists—is the true measure of the new and terrible trouble we are in.

I repeat, Mr. President: This signal fact—that the administration really believes we can profit from negotiations with Communists—is the true measure of the new and terrible trouble we are in.

Now it ought to go without saying that our previous assumptions about Communist implacability are still valid—that neither verbal arguments nor "positions of strength" will permanently distract the Communists from their ultimate goals. But in the light of recent statements about the "coming of new dawns," I suppose this had better be spelled out.

Let me cite a speech delivered by Dmitry Manuilsky in 1930 to the Lenin school of political warfare. I do not use the speech to prove a point that any informed student of communism regards as quite beyond dispute; I use it because it states the point briefly and sharply.

This is what he said to the Lenin school of political warfare, and this is still a part of the Communist bible, if you please. He said:

> War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years.

He said that in 1930, Mr. President.

> To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we will smash them with our clenched fist.

Now I ask you, Mr. President, to weigh this statement carefully—and to note the contemporary parallels that leap out of it. Is it not clear that our generation, in the 1950's, is simply supplying the justification for traditional Communist theory? What is striking here, of course, is not that Communist tactics are unfolding as predicted, but that our reaction to them is precisely as anticipated. And can there be any quarrel with Manuilsky's description of our reaction as just plain "stupid"? I submit that there is not a single event of the past 6 or 8 weeks—which have supposedly been marked by "dawns coming," "suns rising," and "horizons opening up"—that is not fully accounted for by Manuilsky's thesis.

President Eisenhower originally stated—it seems like a very long time ago—that this country was not interested in negotiations at the summit until, among other things, the Communists had proved by deeds that their intentions were "sincere." By "sincere," I take it the President meant "genuinely prepared to abandon their ambitions of world conquest." That was a sound position—and, incidentally, an encouraging one, because it was another way of saying there would be no meetings at the summit until the Communists had decided their job was not to conquer the world. But we are going to have a meeting, and the question that naturally intrudes amid the rejoicing is: Where is the evidence that the Communists may have changed their minds about conquering the world?

The administration, and the President, in particular, cite one event—the signing of the Austrian Treaty. But if the administration really believes this is evidence of Communist sincerity, we need go no further for proof that the creeping madness, that for some time has been gnawing at our foreign policymakers, has finally taken hold. There is not a competent observer in the Western World who does not see in the signing of the Austrian treaty an attempt to woo the German people out of the anti-Communist camp. And if there is in the State Department any alleged expert on the subject who has not advised his superiors that this purpose is there, he ought to be fired from his job. Beyond this, the Austrian treaty fits into the pattern of Soviet overtures to Yugoslav, Japanese, and German leaders—a program destined to soften the West's will to resist at precisely the points in the world where the Soviets hope to make their next gains.

To cull from the signing of the Austrian treaty evidence of Communist "sincerity" is a feat of perversity unequaled since Owen Lattimore asked whether the Stalin blood purges might not, after all, be a "triumph for democracy."

If the President really accepts this patent stratagem as evidence of Communist sincerity, then we must haul out into the open a question that heretofore has been only in the back of our minds—namely, whether the President ever did understand the real nature of the free world's fight against communism.

The President himself raised the issue at a recent press conference. A reporter had asked him why he had changed his mind about a conference at the summit,

and the President's answer, finally, boiled down to this: That he hoped that, as the result of the meeting, "my own mind would be clarified a little bit."

Mr. President, just what is it—and this is a question to which I think the President ought to give a clear answer before he asks the American people to elect him for a second term—just what is it relative to Soviet intentions that he is unclear about? Or, more concretely, what is it he is unclear about that he feels Nikolai Bulganin or, if he is there, Nikita Khrushchev, might clear up?

What is unclear, at the moment, is what shape our impending diplomatic disaster will finally take. There are many persons, some of them in this body, who believe that the precedents for Geneva are Teheran, Yalta, and Potsdam.

This view is shared by millions of other persons in the world who are in the front lines of the battle, and whose very closeness to the danger bids them to keep a wary eye on the lessons of history. They cannot forget that Teheran, Yalta, and Potsdam led to the enslavement of 120 million people in Eastern Europe and 498 million people in Asia. They cannot forget that in the past, world tensions were relaxed by giving control of Poland to the Lublin Communist Government, by delivering Yugoslavia to Tito's partisans, and by serving up Chinese territory to the Soviet Union. Many of the 9 million on Formosa and of the 50 million in West Germany quite naturally wonder whether they will be the free world's next contribution to the cause of world peace.

Are these fears of a repetition of Teheran, Yalta, and Potsdam justified? Or are we entitled to think that this time things will be different? Obviously, nobody can say for sure what agreements will be reached at the conference. Only time will tell whether we shall make actual territorial concessions to the Communists. But I can tell the Senate this much: Regardless of whether we give away physical territory, the cause of freedom will suffer a serious setback at this Big Four conference. Whether it is tangible things, such as territory and people, or intangible things, such as propaganda gains, the Soviets will pull in all the chips—not because the administration will deliberately throw the game, but because it has agreed to play with a deck that has been stacked against us.

Apparently the President agreed to the conference with the best intentions, but we know that such intentions pave many roads, some of which do not lead to heaven. This road is headed straight the other way, and there are three arguments—as I see the situation—that make this verdict difficult to question.

First, let us consider the probable agenda of this conference. According to the President, we are going to try to "relax world tensions."

But where are the areas of tension in the world? Are they in places controlled by the Communists? Is the world at the moment holding its breath over who will rule the mainland of China? Is the world anxious about the disposition of Poland or Czechoslovakia or Hungary? Are these the places where the cold war is being fought? Obviously not, Mr. President. The Secretary of State has recently ventured a few stop-loss remarks about our concern for the satellite countries, but the administration is careful not to press the point. Dutifully observing our commitment to peaceful coexistence, we have, for all practical purposes, conceded those countries to the Communists.

Then where are the tensions we are going to relieve? Is it not perfectly clear that they are in the Formosa Straits and in West Germany? The tinder boxes of the world are now, as always, places the free world controls. This is the first lesson to learn about negotiating with the Communists while we are committed to a policy of coexistence. Let me put this thought a little differently: Because communism is inherently acquisitive and because the free world is committed to living peacefully with the Communists, it follows that the negotiable areas of the world are those which the free world dominates and to which the Communists lay claim. A corollary implication of coexistence is that areas under Communist domination can be longed for by the free world, but they cannot be negotiated about. If we want to make deals, it is in the frontier areas of the free world that we have to make them. This is what the men who share my views on foreign policy mean when they say, "We are fighting the cold war on Communist terms." This is why they ask, often wearily, "Will we ever learn?"

History, I think, bears us out. Ten years ago, at the time of Yalta and Potsdam, the tensions between the Communists and ourselves were in Poland—where the free Polish Government-in-exile was trying to reestablish control; in Yugoslavia—where the Chetniks were fighting Tito's Communists; and in China—where Chiang Kai-shek was defending his country against Mao's Communists. In each one of these places, Mr. President, we "relaxed the tensions" by giving the Communists all or most of what they wanted.

Two years ago, the area of tension was Korea. Our Army was in a strong position, poised to strike out for the Yalu. The Communists requested negotiations. So we obliged, and granted them a truce—thus surrendering our military advantage.

One year ago, the area of tension was in Indochina. We negotiated at Geneva, and ended up handing over all of northern Viet Nam to the Communists.

Today, there is every sign that history will repeat itself—as it always will while we fight on Communist terms. The headlines in the press afford a reliable indication of the subjects that will come up for discussion at the Big Four conference. The news stories are about Formosa and about West Germany. And the columnists speculate, quite naturally, about how the Big Four will settle those problems. But what the press does not make sufficiently clear is that this means we are to talk about, not Communist territory, but the Free World's territory; not about what we may get, but about what we may give away.

If we continue this way much longer—dealing on Communist terms—the day will soon come when our leaders will sit down with the Communists only to discover they have nothing left to give up.

Let us now turn to the second argument. Let us assume that in exchange for a concession or two by the Free World, the Communists give us something in return. This is what some who favor negotiations with the Communists expect to happen. And they ask, "What is wrong with that?" They argue that mutual concessions—a little "give and take"—will let off the pressure in the hot areas of the cold war. This is presumably what President Eisenhower meant when he said he would be willing to meet the Communists "half way."

What sort of "give and take" should we expect? In return for our surrendering Quemoy and the Matsus and our promise to prevent Free China from attempting to recapture the mainland, the Communists may agree to a cease-fire in the Formosa Straits, and they may even promise not to try to take Formosa by force. In Europe, in return for our agreement to slow down on German rearmament and thus "neutralize" West Germany, the Communists may agree to cut down the East German "police force," so-called, and to neutralize East Germany. There may even be some deal for the unification of Germany—a "neutral" Germany.

To be sure, the Secretary of State has disavowed any intention of agreeing to a "neutral belt" in central Europe. But Senators will recall that a little over a year ago, Mr. Dulles was resolutely assuring the country that Indochina would be defended, only to have the ground cleanly cut from under him by the British, the French, and finally by the President. Moreover, at a recent press conference, the President brought up, on his very own, the subject of a neutral belt in central Europe. Even more important; whether we will it or not, our talk about "new dawns" may well create pressures on behalf of German neutrality that will prove irresistible, even by the sturdy leadership of Chancellor Adenauer.

Let us face it—the principal reason West Germany is now in the Western camp is its thoroughly warranted fear of a Soviet attack. Remove that fear by creating illusions about Soviet intentions, and we may lose an ally.

And I do not doubt for a moment that the administration will find suitable words for justifying a deal for German neutrality. They will cite reciprocal Soviet "concessions," from which it will follow that Geneva was a great success.

We can see the picture now—a televised meeting at the White House where the returning diplomats, smiling and very pleased with themselves, will report to the Nation that "a hard bargain has been hammered out." and perhaps even the old saw, "We will have peace in our time." They will say that instead of surrendering á la Teheran, Yalta, and Potsdam, we have shrewdly "horse traded" with the Communists.

Some horse trade. Some horse trade, Mr. President. Yalta was a horse trade, too. At Yalta, in return for our agreeing

that Poland should be organized by the Lublin Communist government, the Communists agreed to hold—and I quote from the Yalta Protocol—

> free and unfettered elections as soon as possible on the basis of universal suffrage and the secret ballot.

"As soon as possible," they said. That was 10 years ago, and still there have been no elections.

At Yalta, in return for our agreement to give Tito a free hand in organizing Yugoslavia, the Communists agreed to form a coalition government with non-Communists "who have not compromised themselves by collaboration with the enemy." The Communists immediately fulfilled that pledge by executing or imprisoning the followers of General Mikhailovitch, who had made the mistake of fighting Communists as well as Nazis.

At Yalta, in return for our handing over portions of North China to the Soviet Union, the Russians agreed to conclude with Chiang Kai-shek a treaty of "friendship and alliance." That treaty was duly signed the following August. It provided in part:

> The U. S. S. R. agrees to render to China moral support and aid in military supplies, and other material resources, such support and aid to be entirely given to the national government as the central government of China.

Senators may remember the strong military support the Soviet Union gave Chiang's government during his war with the Chinese Communists.

Russia has nearly always met us, as President Eisenhower says, "halfway"—"halfway" on paper. But Communists, as most people know, don't keep their word. In their textbooks Communists teach that promises should be broken when it furthers the cause of world revolution. Lenin said, "We must, if necessary, resort to lies, deceit and trickery in order to achieve our aim."

I simply do not understand how our leaders can go into a Big Four conference, seeking an agreement with the Russians, knowing that the Soviet Government in its 38-year career has an unblemished record of not keeping a single agreement that it was to its advantage to break.

Let me cite a few examples of how the Soviet Union lives up to its treaty obligations. When we get negotiation fever, we are apt to forget that we are dealing with an international bandit.

In 1932 Russia signed a nonaggression pact with Poland. In September 1939, while Poland's gallant army was engaging the Nazis in the west, Soviet troops smashed across the Polish border.

In 1932 Russia signed a nonaggression pact with Finland. In November 1939, the Soviets invaded Finland, and annexed a huge slice of Finnish territory.

In 1926 Russia signed a nonaggression pact with Lithuania, and in 1932 similar pacts were signed with Estonia and Latvia. In October 1939, the Soviets forced these three countries to sign so-called mutual assistance pacts which compelled them to accept Russian military missions in the teeth of Soviet promises to respect their territorial integrity. Then a few months later the Soviets broke the mutual assistance pacts. In the spring of 1940 the three Baltic nations were incorporated into the Soviet Union.

In 1929 Russia joined in the Kellogg-Briand Pact along with Rumania and, of course, most of the other nations of the world. That treaty outlawed war as an instrument of national policy. In the summer of 1940, however, the Soviets threatened to go to war against Rumania unless she surrendered the provinces of Bessarabia and northern Bukovina. Rumania yielded, and the Red Army marched into the two provinces.

Let us move closer to home. In 1933—when we made the profound mistake of recognizing Communist Russia the Soviets signed with us the Litvinov Agreements which provided, among other things, that Russia would not permit her agents to interfere in American affairs. In July 1935, 2 years later, at the Seventh Congress of the Third International which convened in Moscow, American Communist leaders gave progress reports on the revolutionary movement in the United States.

These pre-World War II treaty violations were only a hint of what was to come after the war, when the Communists were strong enough to press in earnest their imperialist ambitions. In 1950 the House Committee on Foreign Affairs made a study of the subject. The committee found that between 1945 and 1950 the Soviet Union violated 52 treaty obligations. This figure does not include the broken promises of the Chinese Communists and the satellite countries in Europe. It covers only the 5-year period, 1945–1950. Even so, 52 broken pledges constitute quite a record.

It is an unfathomable mystery to me why our Government should want to make an agreement with the Communists when we know—from their teaching and from our experience—that they will break that agreement the moment it stops paying them dividends. So much for the possibility of mutual concessions at the summit.

Let us turn now to the third agreement. Let us assume that we stand firm at the conference, that we make no concessions whatever. This will mean that the conference itself will be a stalemate. That is what still other commentators expect to happen.

Now it is most important to understand that in this situation, too, the free world loses. The Communists are perfectly willing to settle for a stalemate, because they know they can turn it into a propaganda victory for themselves. The Communists have carefully prepared the ground for this conference by having launched in advance a spectacular peace offensive. Their "electrifying overtures"—let us keep Manuilsky's prediction in mind—have persuaded large numbers of benighted souls in Europe and Asia that communism has changed its mind about conquering the world; and the Communists have built up the Big Four conferences as the place where they will prove their peaceful intentions.

The stage is thus set for the Communists to propose a "neutral belt" in central Europe and a "cease-fire" in the Formosa straits. If the West is sucked in, well and good for the Communists. But if not, the West can be made to look unreasonable. We will appear to be the obstructionists. Either way, the Communists win. It will not matter that we in America know the truth—that we appreciate what the Communists are up to. The point is that the neutralists have already been half-way hooked by Communist peace propaganda, and they will conclude that our refusal to cooperate means we are blocking world peace.

Let us not be put off by the argument that we would also appear uncooperative by not agreeing to a meeting at the summit. It is one thing to quietly refuse to be seduced by Communist blandishments—as we were doing up until 6 weeks ago—and quite another thing to get ourselves up upon a floodlighted stage and proclaim to the world that although we believe Communist intentions may have changed, we refuse to let them prove it.

Far better that our diplomats stay at home and make the Communists prove by deeds that their intentions have changed. By meeting them at the summit, we simply present the Communists with a sounding board off which their false peace propaganda can reverberate throughout the world.

Let me now briefly summarize the reasons the Big Four meeting is bound to benefit the Communists. No. 1, we are going to negotiate about areas the free world now controls, we are going to talk about what we may give away, instead of what we may get. No. 2, even should we get reciprocal concessions from the Soviets—a quid pro quo—we know they will not keep their half of the bargain. No. 3, even if there are no concessions, we will suffer a crushing propaganda defeat by appearing to be uncooperative—by refusing to act upon our own advice to the world that Communist objectives may have changed.

This is why I say the President has agreed to play with a stacked deck. This is why the decision to meet the Communist leaders at the summit is a tragic blunder. Like Teheran, like Yalta, like Potsdam, it will be a thumping Communist victory.

Now what to do? I hesitate to criticize the administration without offering a constructive alternative—which, to meet the immediate needs of the moment, is this: Announce to the Kremlin leaders that we have decided to be more specific about the Geneva agenda. Advise them that we are prepared to talk about the liberation of the countries now held captive by Communists—and nothing else. Advise them that there will be no discussion of neutrality for Germany, no discussion about a cease-fire in the Formosa Straits, no discussion about paring down the nuclear arms superiority the free world now enjoys. Such an announcement will call the Communists' bluff—and would, of course, torpedo the Big Four conference. But the free world's chances of ultimate victory would be inestimably advanced. The neutralists will be grossly offended, but this would be more than offset by the new heart we would give the captive peoples, and to those hard anti-Communists who are still unchained, but who are wearying of further resistance.

Most important of all, we would demonstrate that at last we have learned how not to fight communism, and this is the first step forward.

We cannot coexist with communism. Coexistence with communism is as plausible as the theory that cancer and healthy tissue can subsist side by side in the human body.

We cannot meet Communists halfway. They do business only on their side of the street.

We cannot satisfy Communists by serving up just one more morsel. Their appetite grows with eating.

These truths about communism are as valid when the Russian Bear is simulating slumber as when he is baring his fangs. Today the world has been lulled into a false sense of security by Communist peace overtures. It follows—not that the world situation has improved, but that it is more dangerous than ever before. When we turn a receptive ear to these illusory offers, it is a sure sign that the peril has deepened.

In 1898 Rudyard Kipling wrote a stanza that might well be framed over the desk of every State Department officer—and, indeed, in the White House itself—

> When he shows as seeking quarter,
> With paws like hands in prayer,
> That is the time of peril—
> The time of the truce of the Bear.

Mr. President, I suggest the absence of a quorum.

Mr. KNOWLAND. Will the Senator withhold his suggestion?

Mr. McCARTHY. I am glad to do so.

Mr. KNOWLAND. Mr. President, I am sorry I was not in the Chamber to hear all the remarks of the Senator from Wisconsin. However, I would not want this opportunity to pass and, by acquiescense at least, appear to give the impression that I subscribe to his point of view that the only negotiations which are to be conducted at the Geneva conference will concern not what we get but what we give away. I will say to the distinguished Senator from Wisconsin that I have seen no indication on the part of either the President or the Secretary of State that that is their position. I have seen no indication on the part of the Government of the United States that we would agree to or would support the neutralization of Germany. To the contrary——

Mr. McCARTHY. May I interrupt the Senator at that point?

Mr. KNOWLAND. I should like to finish my statement first. To the contrary, the recent visit of Chancellor Adenauer—and I have the same high regard for the Chancellor the Senator from Wisconsin and other Senators have—was to make very clear to the entire world, both the free world and the Communist world, that the neutralization of Germany was not to be bargained for at the Geneva meeting.

I do not believe we are bankrupt in our negotiating power. On the contrary I believe we have an opportunity to cause some grave concern to the Soviet world.

The Senator from Wisconsin has quite properly set forth that in the past three decades the Soviet Union has violated every agreement it has entered into, with the exception, perhaps, of 1 or 2 agreements, which were to their interest to uphold. However, I submit to the Senator from Wisconsin that the Secretary of State, with his broad background and experience, and the President of the United States are fully alive to the fact that the Soviet Union has violated those agreements. It could well be that the Soviet Government might find itself in a most difficult position if the free world took the position that the Communists should first live up to agreements which called for completely free elections in Poland, and perhaps that initiative could be taken by the free world at the Geneva meeting.

It might also be pointed out to the representatives of the Soviet Union that if there is to be a real relieving of the tensions of the world the abolition of the Cominform is essential, not in the way they abolished the Comintern and then used the Cominform to accomplish the same purposes, but by renouncing the doctrine of world revolution, because, so long as they treat that doctrine as the gospel and so long as the representatives of their Government maintain it, there are likely to be tensions throughout the world.

Perhaps the good faith of the Soviet Union should be fully explored by ascertaining whether the leaders of the Soviet Government are prepared for such a renunciation.

I think there are many things the representatives of the United States and the other free world representatives might do at the Geneva meeting. I do not say to the Senator that I would not be just as much concerned as he is if the outcome of the Geneva meeting should be another Yalta, another Teheran, or another Potsdam, but I am not willing to take the defeatist position that that would necessarily be the case. I think the representatives of our Government are fully alive to the grave consequences which accrued from those other meetings.

I am sure the President of the United States, the Secretary of State, and their advisers are going to do everything possible to protect the vital interests of this country and of the free world, and I hope the precautionary note which the Senator has sounded does not indicate that he feels it to be inevitable that the same kind of result will follow the Geneva Conference as the other conferences produced.

Mr. McCARTHY. I think the Senator and I are not too far apart in our thinking when he points out that past agreements with Russia have served the purposes of the Russians. This much we can agree on. But I think the Senator is indulging vain hopes when he suggests that now there might be some way of persuading the Communists to renounce their objective of world conquest. We entertained such hopes before, to our sorrow. The Communists said, in 1933, that there would be no more activities in the United States in connection with international communism. The concessions we made in the Litvinov agreements indicate we believed them. In 1935 Communist leaders in the United States gave a report on the progress they were making toward bringing about revolution in this country.

I had thought the Senator agreed with me that, as of today, the lesson of the Communist bible is, "We will conquer the world by whatever means may be possible."

Keep in mind that the Communists said in 1930, "We will make overtures; we will persuade the captalist countries we want to be friends, and they will go along with us and cooperate in their own destruction." That picture is accurate. The Communists are acting as anticipated. There is nothing to indicate that the Communists have changed their minds regarding world conquest. And we are acting as anticipated. I ask the Senator to keep in mind that the Geneva meeting will not deal with freeing Poland or any of the other nations that are now under Communist control. The negotiations will deal with areas under the control of the free world.

Mr. KNOWLAND. I think the Senator is assuming something that is not in evidence. To the contrary, the Secretary of State made it clear some time ago that he expected to raise the issue of the so-called satellite captive states of Eastern Europe. I have no reason to believe that that issue will not be raised, and very directly raised.

I will say to the Senator that throughout Europe and, to a considerable extent, in this country, and perhaps throughout the world, both among the free nations and neutral nations and some of the Communist nations as well, there has been a hope that some honorable basis for peace might be found. Certainly, I think none of us is so naive as not to recognize the fact that there are certainly obstacles in the way of finding a solution. But the President of the United States, with a great desire for, not peace at any price, but peace with honor, felt it was desirable finally to sit down for a preliminary exploration, but not in the expectation that the problems would be solved at one sitting—which was the great fault of the Yalta, Teheran, and Potsdam Conferences, where it was attempted in 4 or 5 days to settle all the problems then and there.

Since those conferences, as the distinguished Senator so well knows, there has come into being a vast new force in the world in the form of atomic energy. While offering tremendous possibilities for the peaceful development and improvement of mankind, atomic and hydrogen weapons also have great potentialities for destruction. This is known to the people of the United States and to the people of the free world, and I have no doubt it is also known to the people of the Communist world.

The one factor to which I think perhaps the Senator has not given sufficient attention—and I say it most respectfully—is that so far as the rulers of the Kremlin are concerned—and I think the Senator is quite correct when he says they have not changed their basic concept—after all, there are 200 million people within the Soviet Union itself. I have believed for a long time that in the event of aggression on the part of the Soviet Union we might find some of our

stoutest allies behind the Iron Curtain as well as in front of it, not only in satellite states, but even in the Soviet Union itself, because the Russian people were, in fact, the first victims of the most Godless tyranny the world has ever known.

There have certainly been indications of a certain degree of restlessness in the Soviet Union. We know they are having some problems in agriculture. We know they are having some very serious problems in the production of consumer goods. Under the Malenkov temporary ascendancy in the Kremlin, they have shifted to consumer-goods production; but when Khruschev rose to power, they went back, so to speak.

A dictatorship so tight as is the Russian dictatorship must pay some attention to the great mass of Russian people and other peoples who are incorporated into the Soviet Union. For this reason, we may be in a position, not as the Senator fears, of always giving and yielding, but we may be in a much stronger position to insist upon their living up to their past agreements and placing the responsibility directly on the clique in the Kremlin. If the conference breaks down, it will be because they have not been willing to give up their doctrine of world revolution, but insist on a world-revolution doctrine which by its very nature is bound to keep tensions alive in this atomic age.

I speak not in any manner as an official representing the Government of the United States, but merely as one Senator who has been concerned about what has happened in some of the past conferences, but who has great confidence in President Eisenhower and Secretary Dulles. I do not believe we should take the pessimistic viewpoint that nothing but defeat can come from the Geneva Conference. I think it will afford great opportunities. I would be critical if another Yalta should develop, and I would not hesitate to express my viewpoint, but I believe that when this opportunity is presented we should not in advance concede defeat.

Mr. McCARTHY. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. The Senator from California has never before been accused of being naive. He is a good, hard thinker, and I have great admiration for him. But when he suggests that by negotiation we might get the Communists to abandon their bible, which calls for world revolution, which is the heart and soul of communism, or that President Eisenhower can persuade them to abandon their bible, he would certainly appear to be naive in the extreme. As a matter of fact, the Kremlin leaders have just announced——

Mr. KNOWLAND. I did not say they would abandon it. I said that issue could be presented very directly to them.

That is one of the great factors which are causing tensions in the world today. As long as that approach exists within the Soviet Union, the tensions will be most difficult to relieve. I think if that issue can be clearly drawn—I did not suggest that the Soviet would abandon it; I suggested that if they refused to abandon it, there would be an effect on the 200 million people in Russia, who are governed by a handful of Communists who alone possess that doctrine, rather than the Russian people—we might have an opportunity to gain a great moral victory; and there is no telling what the ultimate repercussions might be behind the Iron Curtain itself.

Mr. McCARTHY. The Communists will not tell the world or, specifically, the captive peoples to whom the Senate refers, "We refuse to abandon our goal of world revolution." They will go on saying, even after Geneva, that peace is their aim. They will not admit that their traditional ambitions are unchanged, an admission the Senator apparently feels we can force them to make at Geneva.

I had thought the Senator from California would agree with me that there is not 1 chance in 10,000 that Dulles, Eisenhower, or anyone else can persuade the Kremlin to change the course Marxists have been following since 1848. It is a course that has been pursued right down the center for 107 years. It is the path to world revolution. The goal has been reaffirmed many times: By Lenin in 1917, by Stalin in 1947, and by Malenkov less than a year ago.

I am glad to note that the Senator is now hopeful about the situation. It is encouraging to know that someone is hopeful.

Now, as I was about to say: The Senator stated that Mr. Dulles said the question of the satellite countries would be brought up at Geneva. But does not the Senator know that immediately after the Secretary made that statement the Kremlin announced that the subject of satellite countries would not be on the agenda; that the Soviet Union would not discuss the satellite countries? That must be kept in mind. The Kremlin has said the subject of the satellite countries will not be on the agenda.

I wonder if the Senator from California will not now agree with me, by process of elimination, that the only areas that will be discussed will be those controlled by the free world. We shall be discussing only the areas we control—in other words, what we can give away to satiate the hunger of the Bear, and with these rules, we are bound to lose.

The Kremlin leaders will stay in the Conference only so long as they can discuss something the free world controls. That is exactly what they have said. That being their position, why does it not, as far as we are concerned, knock off the Conference instanter?

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. THYE. I wish to associate myself with the remarks of the minority leader. I think they were timely, because were we ever to deny ourselves the opportunity of sitting in a conference with the Russians, Great Britain, and other nations, we would at the outset be closing the door against any possibility of negotiating toward world peace.

Only one other course is open and that is for this Nation to bring up its military strength to a position sufficiently large and sufficiently potent so that we would have the upper hand if and when a conflict came.

Within the next 2 or 3 days the Senate will be debating the Defense appropriation bill. When we get into that subject, Senators will understand the potency of what is sought to be done along the lines of national defense. Let us pray to God that we will never use it in conflict.

If we were to foreclose the opportunity of ever sitting down in a conference with other nations, no other avenue would be open except to prepare for an all-out shooting war.

Therefore, I associate myself with the remarks of the minority leader. I do not think this Nation is so naive, with respect to political conferences, that we need to say at the outset that we expect to be defeated in such a conference or that we shall be negotiated out of any advantage either in political propaganda or in the Nation's prestige, with respect to what we set forth as being necessary to protect the peace of the world.

I think we have observed in recent months a fear on the part of the Soviet Union that they are losing position in the world. They have lost it at least in Western Europe. They went to Tito and begged Tito's assistance. They made themselves most receptive in their conference with Tito. Before that time they had threatened all manner of repercussions, economically and militarily, if they had not succeeded with Tito.

We have seen Austria given its independence. We have observed a sort of peaceful situation developing in the Formosa area.

I believe that a conference attended by Secretary of State Dulles in the so-called diplomatic field, and by the President with the leaders of other nations, including those of the Kremlin, may have a very salutary effect not only upon the Russian people, but also upon the rest of the people of the earth, who are hoping and praying for peace.

For that reason, I commend the minority leader for having spoken in the Senate in defense of the possibility of gaining something from such a conference, rather than to say that such a conference would be useless, and that we must not take part in it for fear that we would then permit the Russians to take advantage of us, propagandawise, as well as by negotiating us out of what we may already possess in Western Europe or in Asia.

Therefore, I must disagree with my colleague, from my sister State of Wisconsin. I believe we must look toward taking part in the conference. I believe we possess the ability to achieve the advantage. President Eisenhower and Secretary Dulles have not yet failed us in any international conferences; I do not believe they are likely to fail us in the coming conference.

Mr. McCARTHY. While the Senator from Minnesota is an expert on some subjects, such as agriculture, he has demonstrated complete ignorance of communism, complete ignorance of the Communist world movement.

Mr. THYE. Mr. President——

Mr. McCARTHY. Just a moment. Let me finish.

The Senator talks about the possibility that the Communists may be giving up their idea of world revolution. They have a record of having pursued that goal for 107 years.

In 1848 Karl Marx declared war against the world. At that time he said it was necessary to have a bloody revolution in all countries except the United States and Great Britain. In 1914 Lenin restated the Marx position. He said that while Marx was right in 1848 about there being no need for bloody revolutions in the United States and Great Britain, nevertheless, in 1914 changed conditions had made it necessary to have bloody revolutions in all areas of the world. In 1947 Stalin reaffirmed that position. Malenkov reaffirmed it less than a year ago.

Dmitry Manuilsky, in 1930, speaking to the Lenin School of Political Warfare, also had something to say about this—and it is still a part of the Communist bible. I ask the Senator from Minnesota not to let his wishful thinking blind him, and not to let his statement blind the American people. Manuilsky said:

War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record.

I repeat that last sentence:

So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions.

I hope the Senator from Minnesota is listening carefully.

The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down we will smash them with our clenched fist.

Manuilsky might have been on the Senate floor today saying that. If he were, perhaps the Senator from Minnesota would realize that Manuilsky is talking about him—is predicting his reaction. When you come down to it, is not the Senator counseling us to "leap at another chance to be friends"?

Mr. THYE. Mr. President, the Senator from Wisconsin is absolutely correct when he says I have had no association with communism. He was never more right in any statement made by him than he was in that one.

But I still have confidence in the ability of Secretary of State Dulles and of President Eisenhower to sit down across a conference table with any group.

I care not whether it be the present-day Kremlin or tomorrow's Kremlin—because they have never shown weakness, and they do not show weakness, in my humble opinion.

For that reason, I say I care not what was written in ancient history. The prophets of ancient history told us the world was going to come to an end. In my own span of time I have known those who prepared for the world's end. They were proved to be in error. The Kremlin may be in error, but if we are going to give credence to their prophecy and be fearful of participating in a conference because we might show the softness which they predicted the capitalistic world would show in good time, the only course remaining to us would be to fortify this Nation and dig burrows all over the countryside, into which we may dive if and when they attack us.

I do not take that attitude. I believe the people of this earth will find a way to bring about permanent and lasting peace in this atomic age, because I think the Soviets are smart enough to know what the atomic bomb will do to them, and I think we are smart enough to know what it will do to us. I say I have confidence in Secretary of State Dulles and in President Eisenhower when they sit at any conference table. I believe we will not be placed in such a disadvantageous position that strategic benefits will not accrue to us from such a conference. I think the conference will be timely.

Mr. McCARTHY. The difference between the Senator and me is that he believes the decision to confer at the summit, under the terms that have been announced by the Kremlin, is evidence we are not acting in a way Manuilsky predicted we would act, and I believe the decision is a clear vindication of Manuilsky. What does the Senator think we are going to negotiate about? The Kremlin has said, "We will not negotiate about any of the areas we hold." They have therefore said, in effect, "We will negotiate only about your areas." Now what does the Senator think we will negotiate about?

Mr. THYE. Mr. President——

Mr. McCARTHY. Will the Senator try to answer that question specifically? What does he think we will negotiate about?

Mr. THYE. We will negotiate about the things about which we want to negotiate. If the Kremlin says that is out of order, the world will know they do not want to be fair and meet with us on equal terms.

Mr. McCARTHY. We do not need to wait to learn what they will say. They have already said it. They have already said, "We will not negotiate about any of the areas we hold." Therefore, it means they will negotiate only about our areas. Does the Senator favor that type of negotiation? I am curious to know whether the Senator does or not.

Mr. THYE. I am confident that a meeting with them around a conference table would be much like a conference between the Senator and myself. As of this moment I say one thing; and the Senator from Wisconsin says another. It is up to the public to judge whether they want to listen and believe the Senator from Wisconsin, or whether they want to listen to the philosophy I have advocated and believe me. It would be difficult for the Senator and me to determine which one of us would be most believed. So far as the listening public of the world is concerned, it will have to listen to what the Soviet says, both over the radio and as appears in the press. I trust Secretary of State Dulles and the President, and believe they will leave just as good an impression upon the world at such a conference table as will the Soviets. They will be judged just as the Senator and I will be judged by those listening to us or reading what we have said.

Mr. McCARTHY. The Senator has not answered my question.

Mr. THYE. The Senator from Wisconsin has one opinion and I have another.

Mr. McCARTHY. But I am asking the Senator's opinion. I am asking him what he thinks we will negotiate about, what we can negotiate about, when the Kremlin has said, "The Soviet Union will not negotiate in regard to any areas which it holds." And since I am having some difficulty getting the Senator's opinion on that question, I will phrase it a little differently: Does the Senator favor negotiating away the positions of the free world; or does he think, if negotiations are to be acceptable, we should negotiate about some of the satellite countries, too?

Mr. THYE. The Senator is bringing up minor facts.

Mr. McCARTHY. Minor facts? My God, man.

Mr. THYE. The Senator is bringing up only one phase of what might be discussed in such a conference. There are numerous matters which could be discussed at such a conference. At that conference the South Pacific area could be discussed. The conferees could discuss the question of East Germany being joined with West Germany. They might have the opportunity to discuss Poland's independence and its reestablishment as a sovereign nation.

Mr. McCARTHY. But the Senator is living in a dream world, in which, I admit, he has some company. The Communists have plainly said——

Mr. THYE. There are numerous questions which could be discussed other than the question the Senator has raised.

Mr. McCARTHY. But the Senator must get out from under this false impression. The Soviets have said, "There will be no discussion of areas we hold." And yet the President is still going to Geneva.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. Merely because the Soviet Union has said that in the statement, which I think all of us saw recently, I do not think they are going to be able to write their own ticket. I do not believe the Government of the United States or the representatives of the other free nations have put themselves in the position or will put themselves in the position of allowing the Soviet Union to write the agenda as to what is going to be discussed.

As the President himself pointed out in his press conference, he does not visualize that the meeting at the summit will necessarily be a meeting which will solve all world problems. But it is believed that the conference will be of some value to the Government and the people of the United States, and to the government and the people of other countries in the world. There may be an honest difference of opinion about it, but at least there will be some value in discussing the situation with those who are

presently in positions of responsibility in the Soviet Union.

When the Senator from Wisconsin says, as he indicated in his speech, that all the conference will discuss will be those issues in which we will give something, and will get nothing, I do not agree that necessarily follows. I certainly hope it will not follow, for it would be tragic if it should. I am not willing to write off either the capabilities, or the patriotism, or the devotion to duty of the President and the Secretary of State, and to assume that they are willy-nilly going to let the Soviet Union write its own ticket. Knowing both men, I am sure they are just as firm in their belief of the importance of maintaining a free world of freemen, and of having peace with honor, as distinguished from peace at any price, which would lead to appeasement, as is the Senator from Wisconsin, or the senior Senator from California, or Senators on the other side of the aisle, or Senators on this side of the aisle. I think we Americans are alert to the danger. Senators are all knowledgeable persons. We all know what tragic consequences grew out of previous conferences. None of us wants a repetition of that type of situation.

I am not willing here and now, before the conference has even met, to say that nothing can come out of it but a Soviet victory. I say there is an opportunity, if the opportunity is followed, and if our allies will stand firm and not go into the conference in an appeasement frame of mind, to put the Communist world on the defensive, and to raise such issues that the 200 million persons in the Soviet Union may hold strictly accountable the men who temporarily rule in the Kremlin.

I do not disagree with what the Senator from Wisconsin has said about Soviet doctrine and policy in the past. We must keep that in mind. I do not disagree with the Senator from Wisconsin when he points out that the statements of Marx were repeated by Lenin, Stalin, Malenkov, Khrushchev, and by other persons who are temporarily in power in the Kremlin; but I do say the people of Russia itself have been the first victims of the most godless tyranny the world has ever known.

For the first time in history, today we know that there is available a destructive power which can wipe every nation off the face of the earth. The choice can be put up to the negotiators of the Soviet Union that there will continue to be this tension in the world so long as their rulers follow the policy of world revolution, and of destroying countries outside the confines of Mother Russia; and if they were not prepared to give indications, which can be checked, to show they intend to abandon that policy, there can be no relief of that tension.

If such a conference should then fail, it may well be that there is a force, a section, or a group within the Soviet Union who could take additional action. I admit that is only a hope. I do not contend that the present rulers of the Kremlin may not be willing to agree, even in the face of the consequences, but I do say to the Senator there are many ways of inviting them to live up to an agreement to permit free and open elections, and to say to them, "What good is your agreement unless you live up to the past agreements which you have violated?" They can be put on the spot, and we do not necessarily have to concede a defeat, even before we begin.

Mr. McCARTHY. Mr. President, when the Senator from California says the Russians cannot determine what the agenda will be, I believe he is in error. I believe that if he will consider the matter a little further, he will realize that his error is self-evident. If the Russians say they will not discuss any area they hold, they will simply refuse to discuss it, and then it will not be included in the agenda—just as if we were to refuse to discuss Formosa, it will then not be discussed, and will not be on the agenda.

So let us face this harsh fact: that no territory the Communists hold will be discussed at the meetings because they will not be willing to discuss it, and will not discuss it. Instead, by process of elimination, the discussion will be about territory we hold. And if there is a fallacy in my argument, which the recent Kremlin announcement does not let me believe is there—even, I say, if the Communists make some concessions, we must realize that their entire history shows that they keep no agreements they do not wish to keep. They will not keep an agreement if it serves their purpose to break it.

Therefore, why attend the conference? The Senator from California speaks about putting the Communists on the spot at the conference. Well why not put them on the spot now? Why not, as I suggested in my prepared remarks, announce that we insist on talking about the satellite countries? That would really put them on the spot. Let me press this a little further: you might say we made a gesture at putting the Soviets on the spot when Mr. Dulles said we would bring up the satellite countries. But the Communists promptly rejected the suggestion, and that put the free world on the spot. We backed down by agreeing to go to Geneva anyway.

Let me say I had thought all of this was very clear to the Senator from California, and that I am dumbfounded by the reversal of his stand, which was until today, as I understood it, in complete opposition to the Big Four meeting.

Although I confess I get very little satisfaction from it, I nevertheless point out to the Senator that after the conference is over, I believe he will not be happy about the speech he has made today.

Mr. BENDER. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. McCARTHY. I yield.

Mr. BENDER. I wish to say that I think the American people will never cease to be grateful to the Senator from Wisconsin for his dramatization of this whole question and for his emphasis on the need for us to be constantly alert regarding communism.

The time for stopping, looking, and listening to the "siren calls" of the Communists is the moment when they emit sounds like those of the cooing dove. Shakespeare taught us long ago that a man "may smile and smile and be a villain still." Our Communist tacticians are most dangerous when they don the robe of the conciliator and extend the silken glove.

With the release of a token quartet of captured American fliers after 2 years of imprisonment, Communist China has done what should have been done months ago. When the Korean truce was negotiated, every American held by the Reds should have been released immediately. We owe Red China no standing vote of thanks for doing what they should have done in 1953.

Some folks have become so accustomed to the Communist approach that they seem willing to fall over in gratitude for every slight gesture of humanity displayed by the Reds. If an international marauder returns part of what he has wrongfully seized, he is no less a marauder, and we can withhold the applause. The Trojan horse is being trotted out of Peiping. Let us not fall for it.

I think the American people are aware that communism is a force in the presence of which we can never go to sleep. I believe I am correct when I say that at the last session the Congress of the United States voted, by an almost unanimous vote, not to favor the admission of Communist China to the United Nations. At the present session of Congress, one of the noblest things I have seen done—and it is one of the noblest things ever done by any Congress, so far as I know—is its action by an overwhelming majority, in fact, by an almost unanimous vote, in backing the President's position with regard to Formosa.

Certainly we appreciate the fact that there are 2 political parties in our country, and that 1 party now is in control of the administration, and the other party is in control of both Houses of Congress. However, there has been no disagreement among us as regards communism. There is no question that all of us agree that we cannot "get soft" as regards the Communists. All of us agree that the Communists are a menace; and all of us agree—and that is shown by our votes for various appropriations—that our country must remain strong. From a military standpoint, the United States has never been in a stronger position that the one it is in today.

Certainly, insofar as the leadership on both sides of the aisle is concerned, there is support of the distinguished senior Senator from Georgia [Mr. GEORGE], the chairman of the Foreign Relations Committee, who on a number of occasions has declared and proclaimed that any conference is worth holding. I believe in that philosophy. So long as we maintain our strength, militarily speaking, and so long as our people feel as strongly as they do regarding the menace of communism, I believe that we can ill afford, as a Christian nation, to refuse to meet

at the conference table and discuss the affairs of the world.

Mr. President, you can probably list on the fingers of your two hands—without counting thumbs—all the topics the big fellows are going to talk about in the Geneva Conference. Here is a list of ideas they probably will omit, but which would make plenty of good conversation.

First. The people who are held against their will inside the Soviet Union, including folks who claim American citizenship rights.

Second. Ways and means of promoting free travel to all parts of the world, including the Iron Curtain countries.

Third. Free elections in Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and China.

Fourth. Worldwide inspection of arms production including our own and the Soviet Union's by United Nations experts given freedom to check production of atomic weapons.

Fifth. Invitations by all countries to moving-picture companies to shoot documentary films of life as it is without restriction of subject matter.

Oh, well, we can dream, can we not?

With respect to the agenda at Geneva, or elsewhere, I have no great knowledge. But I have the utmost confidence in the President of the United States. I know of no one who is better informed than he. Likewise, Mr. President, I have great faith in our Secretary of State. He knows what he is doing, and he knows what he is talking about.

Those two men represent our strength; and the Members of both Houses of the United States Congress, on both sides of the aisle, by their votes have given them tremendous support—which has been recognized throughout the world and is felt throughout the world—for both the Democratic and the Republican Members of Congress have united and voted almost unanimously in backing the administration's fight on communism.

I believe that situation is the most wholesome, and I believe that our President can take care of himself at any conference. I have never seen him fail. I have never known him to participate in a conference in which the United States has wound up second best.

Under the circumstances, although I think it is all right for the Senator from Wisconsin to be apprehensive—after all, all of us are likely to be apprehensive about almost any situation—and although I have no criticism of the Senator from Wisconsin for making the statement he has made, yet I wish to say to him, even though I did not hear all of his statement, that I believe sincerely in the integrity of the President of the United States and the integrity of the Secretary of State and the integrity of the United States Congress in their support, which has been evidenced, not only at this session of Congress, but certainly also at the last session, in the case of every vote taken.

Mr. McCARTHY. Mr. President, let me say to the Senator from Ohio that I certainly appreciate his confidence in the President's knowledge of communism. But I remind the Senator that the President does not share that confidence about his grasp of the situation. At a recent press conference, when asked why he had changed his mind about having a conference at the summit—in the light of his previous statement that he did not favor the holding of a summit conference unless the Communists showed they were sincere—the President replied, "I hope that my own mind will be clarified a little." In other words, the President is really not sure what Communist strategy is, and hopes the conference will teach him something about this. I think the President should know that before he goes to the conference.

This is the point I made earlier, in the portion of my remarks I assume the Senator missed. And it is, in part, my answer to the Senator from California and the Senator from Minnesota when they say they have confidence in the judgment of the President. When the President talks about "new dawns" and when he suggests the signing of the Austrian Treaty is evidence of Communist "sincerity," he is simply piling up reasons why we cannot have confidence in him when he meets the Soviets face to face. When the President talks about the coming of new dawn, and the opening up of new horizons, his statements sound like those of Dean Acheson, who used to talk about the dawning of a new day. President Eisenhower refers to "the coming of a new dawn." Dean Acheson made a similar statement at the time we gave away China—not at a conference table, but by sending Marshall there, and instructing him what to do.

Mr. BENDER. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. McCARTHY. I yield.

Mr. BENDER. All of us recognize that the President of the United States is a leader who occupies the highest position in the world. It is proper for him on every occasion to emphasize our concept of the correct relations for us to have with other countries and our concept of our proper place in world affairs. Certainly it is proper for the President of the United States to use the kind of language he uses on every occasion in being optimistic about the result.

For instance, we never stop singing Onward, Christian Soldiers. The second verse of that hymn includes the words:

> We are not divided; all one body, we.

Those words express a hope and an aspiration, not a reality. But we are not going to stop singing those words. We love to sing that hymn because we hope that sometime what it expresses will be a reality.

Similarly, we never stop reciting the Lord's Prayer, although there may be some persons—sometimes even Christians—who are not aware of what they are saying when they recite it.

In the same way, we never stop loving the Ten Commandments.

So far as the President of the United States is concerned, it is his job to emphasize the wholesome things in our American life, the wholesome things in furthering which all of us can join, and of which we can feel we are a part.

Certainly the Senator from Wisconsin would not criticize the President of the United States for having made an optimistic utterance. We are optimistic. However, we are realists. We are in a stronger military position today than we have been at any time in our history. I say that so long as we are strong we can afford to meet even with our enemies on occasion, and hold discussions, and make the results of such discussions available to all the American people. I am sure the Senator from Wisconsin, who is a fair man, will agree that he is attributing motives to the President that are wholly out of his mind. I am sure the Senator will agree——

Mr. McCARTHY. Just a moment. I am not attributing motives to the President. I say that he is making a grave mistake. When he says in effect, "I want to go to the conference to learn about communism," that indicated bad judgment. He should know about communism before he goes there. It is not a question of motives. I do not think there is anything wrong with his motives, and I have not in the slightest impugned his motives. However, it is a grave mistake to go to the conference and let the Communists say ahead of time what the agenda shall be. The Soviets have said, "We will talk only about the areas you hold." We should say, "We will not go to any conference if the agenda is to be so restricted—unless we also discuss the satellite nations. We will not go to a conference unless we may discuss what we can get, and not merely what we can give." It is a mistake to go to the conference under such conditions.

Is the Senator aware of the fact that the Kremlin has said, "We will not discuss anything in regard to any of the satellite nations, any of the nations we control"? Is the Senator aware, therefore, that the Kremlin has said, "We will discuss only the areas you control"? If we go to the conference with such an understanding, we are making a grave mistake. We should say, "No, gentlemen; we are going to discuss the satellite nations. We are going to discuss freedom for Poland. We are going to discuss elections in Poland. We are going to discuss elections in East Germany, or we will not go to the conference. We are not going to negotiate on your terms."

The President is going to the conference with the deck stacked against him. It does not matter what one's motives are; if he is playing poker with a deck stacked against him, he will lose, even though his motives are the finest in the world.

Mr. BENDER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. BENDER. I do not know much about poker; but, as I understand the discussion by the Senator from Wisconsin, what he has in mind is to say, "Beware of the Communist Trojan Horse." We are aware of all the motives of the Communists. We know that they come to conferences with unclean hands. Of course the President is aware of that.

Under the circumstances, I am sure the President will be prepared to handle the interests of the United States in world affairs in a manner which will bring great credit to the United States,

and to the whole world, and result in a solution of our problems without the necessity of entering into a bloody war.

No doubt some folks are growing impatient with mere talk. They want more positive assurance than words that the prospects for a "modus vivendi" with the Soviet world are improving. Many of us would like to see a stabilization of the situation in Berlin, an end to the threatening gestures in the Formosa Straits, and some positive evidence of reduced tensions in the Indochina area.

Nevertheless, the visit of V. K. Krishna Menon, who is the major adviser on foreign policy to India's Prime Minister Nehru, and the trip of Chancellor Konrad Adenauer of West Germany to Washington are both signs of a changed world atmosphere. There will be more rather than less conversation from now until the international meeting at Geneva in July. Some common understandings may be possible, but we shall certainly want to know what the Russians are demanding as their "quid" for our "quo."

Years ago, a great diplomat said that there has never been a bad peace or a good war. Every day that we move toward a good peace is a day worth remembering. President Eisenhower is trying to run up a whole calendar of good days.

President Eisenhower has consistently demanded evidence of the sincerity of the Soviet Union before considering any meeting of heads of state. The signing of the Austrian Treaty may well be regarded as providing, at least in part, some evidence that the Russians are prepared to act as well as talk about a lasting peace. It would be foolhardy, however, to believe that the Russian bear is prepared to sheath his claws. No indications of any real change of policy are apparent in North Korea, Indonesia, Red China, and Vietnam.

One of the other major premises underlying an international meeting is the importance of dealing from American strength. We are not going into any conference to betray the Western World alliance, to give up on NATO or the European Army, or the rearming of Western Germany. These are bedrock policies, and they are unalterable. Behind the policies stands the American military machine. Our Air Force must be unchallengeable. Our sea power must be decisive. Our atomic weapons must control the land. Once the Russians understand these facts, we can confer without conceding; we can sit without surrendering. Let us do a lot of listening and little talking this time.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, line 16.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Millikin
Anderson	Hayden	Monroney
Barkley	Hennings	Mundt
Barrett	Hill	Neely
Beall	Holland	Neuberger
Bender	Hruska	O'Mahoney
Bennett	Humphrey	Pastore
Bible	Ives	Payne
Bricker	Jackson	Purtell
Bridges	Jenner	Robertson
Bush	Johnson, Tex.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kerr	Schoeppel
Carlson	Kilgore	Scott
Case, N. J.	Knowland	Smathers
Case, S. Dak.	Kuchel	Smith, Maine
Chavez	Langer	Smith, N. J.
Cotton	Lehman	Sparkman
Daniel	Long	Stennis
Douglas	Magnuson	Symington
Duff	Malone	Thurmond
Dworshak	Mansfield	Thye
Ellender	Martin, Iowa	Watkins
Ervin	Martin, Pa.	Welker
Frear	McCarthy	Wiley
Fulbright	McClellan	Williams
Gore	McNamara	Young

The PRESIDING OFFICER. A quorum is present.

Mr. O'MAHONEY. Mr. President, it is my understanding that the question before the Senate is on agreeing to the committee amendment which appears on page 7, line 16, and which increases the appropriation for payments to air carriers from $40 million, as proposed by the House, to $55 million, as proposed by the Senate committee, which sum will remain available until expended.

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. I understand the Senator from Illinois [Mr. DOUGLAS] has made some remarks in criticism of the committee amendment. Having been a Member of the Senate when the laws establishing civil aviation were passed, and having been a member of the Committee on Post Office and Post Roads, which took the first steps toward encouraging the establishment of passenger transportation by private enterprise, I have a few historical facts, as I deem them to be, which I believe the Members of the Senate ought to have before them when they consider this amendment.

I believe I am in complete agreement with what the Senator from Illinois has stated. It may be that the committee may have some explanations which would change my mind, but I rather doubt it. I am sure that the Members of the Senate are familiar with the recent report of the Federal Trade Commission on the rapidly increasing trend toward merger in the industrial field. I am sure the Members of the Senate, with few exceptions, know that the concentration of economic power in the United States has progressed to such a degree that the economic government of this country is in private hands, not in the hands of the Congress of the United States, to whom the regulation of interstate and foreign commerce was committed by the United States Constitution.

Air traffic in the United States was initiated by the Post Office Department after World War I. The Government established it as a Government enterprise. We built many planes during World War I and instructed many fliers. These fliers, with their experience and with their war planes, under the management of the Post Office Department, carried the mail across the country. They demonstrated that the transportation of mail by air was feasible. The transportation of passengers by air was not developed because venture capital was not available. The owners of private capital were afraid to invest their money in the building of passenger lines. So the Congress of the United States enacted the law which has finally resulted in the creation of the Civil Aeronautics Board. It has gone through various changes, but the fundamental principle of the law was that the Government would dip its hand into the Treasury of the United States and use the people's money to subsidize the establishment of civil aviation for the transportation of passengers and the transportation of freight.

The original law provided for the granting of certificates of necessity by the authority which was created by the law. It was designed to take the Government out of the business of flying and to put the business into private hands. That was the purpose of the legislation. It was not the purpose of the law, and, in my opinion, no word, no phrase, no sentence, no paragraph of the law can be read to indicate any intent upon the part of the Congress of the United States to give the Civil Aeronautics Board the authority to prevent the expansion of air traffic. Yet, that is precisely what the Board has been doing. Not that air traffic has not grown; it has grown; but the policy of the Board for 15 years or more has been designed to preserve the air over the United States as an element in which only those lines which were existing at the time the law was passed would be permitted to fly. There were 16 trunk lines which were granted certificates of necessity. By the process of merger these lines have now been reduced to 13. They were taking subsidies consistently from the Federal Government, although they were earning profits sufficient to enable them to carry on the industry without the support of the Federal Government.

It is always very difficult, Mr. President, to persuade any private interest to give up a subsidy once it has been granted. If the Congress of the United States is not willing to look at the facts and to end subsidies when they ought to be ended, then the people of the United States will be compelled for years to bear the burden of paying unnecessary subsidies to interests which are operating at a profit. I have no hesitation, Mr. President, in saying that that is the fact which we confront today.

I have hesitated to enter the discussion of this question because during the brief period when I was under leave of absence, so to speak, from the Senate of the United States, I engaged in the practice of law. I accepted a retainer from North American Airlines to represent them before the Civil Aeronautics Board. I have testified with respect to that company and with respect to subsidies before committees of the Congress. I must say, however, Mr. President, that when, last

June, through the development of circumstances, it was clear to me that I was again to be a candidate for the Senate, I severed my connections with North American Airlines. Although I was their attorney last year, I have not been their attorney in any respect since just before I became a candidate for reelection to the Senate in 1954. I rise, therefore, feeling that I am perfectly free to lay before the Senate of the United States the facts as I know them.

North American Airlines was established by some veterans of World War II, some of whom had flown over the Himalaya Mountains; others had flown in battle. After the war was over, they came back to the United States, and the Government of the United States had so much war material, including airplanes, of which it wished to make disposition that some of the pilots sought to purchase Government planes in order to go into the business of air transportation. The idea was so in harmony with the fundamental principles of our Government and of the law under which the CAB exists that the RFC made loans to those veterans to enable them to buy the planes in which they initiated competition with the grandfather lines which have been so diligently protected by the Civil Aeronautics Board. It seems to make no difference whether the Democrats or Republicans are in power, the Civil Aeronautics Association, which is an association of certificated carriers, has carried on warfare against competition in this subsidized field.

North American Airlines pioneered the low-price coach traffic. The subsidized lines never thought of initiating coach travel to invite people with small resources to take advantage of the opportunity to fly. The North American system operating only coach fares and not receiving one penny in subsidy opened a new field in transportation.

Let me repeat, that veterans supported by the RFC, in the first place, flying former Army planes in the second place, which had to be purchased through a loan from the Government of the United States, opened an entirely new field in the transportation of passengers. They were so successful, without a penny of subsidy from the Government of the United States, that they have been engaged in a profitable business. Yet at this minute the Civil Aeronautics Board has before it a punitive proceeding intended to cut the throat of this newly established business which has developed, I think, within the past year, into a $15 million business.

Mr. President, we talk about encouraging small business. We talk about the danger of the concentration of economic power. But when there is a system by which a Federal board, such as the Civil Aeronautics Board, operates in harmony with the subsidized carriers to execute a nonsubsidized carrier, we have one of the most extraordinary examples of what monopoly can do in partnership with government.

I do not challenge the good faith or the patriotism of the members of the Board. I merely say that they have become overawed by the arguments which are made by the huge transport association, an association which, a year or two ago, actually went to the length of providing dinners for the administrative assistants to Members of the Senate, in order to propagandize them upon the issues of the conflict in their traffic. The chief officers in the office of every Senator were invited to those dinners, at which representatives of the transport association told their side of the story.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Does the Senator from Wyoming believe that the expenses of those dinners went to increase the amount of mail pay which the Government paid to the airlines?

Mr. O'MAHONEY. No; I do not. I do not believe the administrative assistants to the Members of the Senate were swayed one iota.

Mr. DOUGLAS. No, no. My question was whether the cost of the dinners was charged to the Government.

Mr. O'MAHONEY. I do not know exactly how the transport association is supported. I assume it receives contributions from the subsidized carriers. I think that would be a very natural assumption to make.

The fact is that it became so clear, eventually, that those great lines no longer needed the subsidy, that at the beginning of this administration President Eisenhower issued an Executive order in which he directed that the subsidy pay be separated from the mail pay. The order was issued. To what extent it has been successfully carried out, I leave to the imagination of Senators.

There is nothing which I find in the report or in the bill which indicates how much of the $55 million appropriation recommended by the committee would be applied to mail pay. But in the report of the House committee, which reduced this item from a budget estimate of, I think, $65 million to $40 million, I find this paragraph on page 4:

> Payments to air carriers. The sum of $40 million is recommended for the coming fiscal year for this purpose, a reduction of $8,900,000 below the funds appropriated for 1955, and a reduction of $23 million in the budget estimate. The committee believes that a substantial reduction can be made in payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made, and if realistic practices in the handling of these claims are followed.

That seems to me to be a pretty sensible statement. There is no declaration in it that if the audit proves that the subsidies are needed, the appropriation will be denied. All of us know that there are numerous appropriation bills—the regular appropriation bills, the deficiency appropriation bills, the supplemental appropriation bills, and bills of that nature—into which it is the common practice to insert items designed to serve the purposes which are set forth here.

I know of no reason why the Senate should not be satisfied to go along with the House, and to hold the appropriation to $40 million until after the audit has been made. I think the effect of doing so will be to make certain that the audit is made; that the facts will be laid before the Senate and House of Representatives; and that we shall know why it is that the Civil Aeronautics Board is pursuing a policy of seeking to revoke the charter of a line which successfully pioneered coach air service, a line which has transported hundreds of thousands of passengers without an accident, against whom there is no charge of violating the safety regulations, but which is charged merely with flying too frequently.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. I agree with the argument which the Senator has been making. The Civil Aeronautics Board has actually served as an instrument whereby thousands of ex-servicemen who were fliers in World War II have been denied the opportunity to enter the air transport field. I am certain the Senator's section of the country has experienced the same situation that has been found in the area from which I come. Large numbers of ex-pilots who have also worked in the administrative branches of aviation have attempted to go into the air transport business, only to learn that the policy of the CAB has been such as to make it possible for only a small number of them, perhaps only 1 percent, to be successful.

I suspect that the reason for the failure of a substantial number of small concerns, comprised mainly of veterans, to break into the air transport business is due to a policy established by the CAB shortly after World War II.

Mr. O'MAHONEY. I think I can explain that policy without reflection upon the members of the Board. I believe they were motivated largely by the fact that they knew subsidies were being paid to the lines; therefore, in order to keep down the subsidy payments, the Board seemed to think it was necessary to keep to a minimum the number of companies flying. So there was reluctance to grant new certificates.

But this is a new era, in which the people of the United States, from coast to coast, from southern to northern border, have become airminded and are ready and willing to fly.

The line to which I refer is a line which has flown with safety, but the question of the revocation of its right to fly is now being tried before the Civil Aeronautics Board and if the decision should be adverse to the company it would be put out of business. I tell this story to the Senate because it seems to me to be conclusive proof that what is needed is keeping the appropriation down until an independent audit has disclosed exactly where the subsidy funds of the Treasury of the United States are going.

If the aviation industry has grown to such proportions that it may now transport freight and passengers across the Nation and over the seas without subsidy from the United States, why in the name of commonsense does not Congress take the steps to make certain that subsidies will be discontinued?

Mr. LONG. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. The Senator has had much experience with the operations of the Post Office Department. Many years ago he was an Assistant Postmaster General. Is it not correct that the airlines receive about 45 cents a ton-mile for carrying airmail as a nonsubsidized rate?

Mr. O'MAHONEY. I think the Senator is correct. I do not have the figures. I have been in the Committee on the Judiciary and the Committee on Interior and Insular Affairs today, and I have not had an opportunity to examine the figures.

Mr. LONG. Another Senator tells me that the figure is 60 cents. My recollection was that it was 45 cents.

My point is that the so-called Flying Tiger Airline, which was prohibited by law and by regulation of the Board from carrying passengers, mail, and parcel post, made a bid to the Postmaster General to carry first-class mail at 23 cents a ton-mile over its entire system. It says it can do so at a profit.

After the Civil Aeronautics Board had held up the Flying Tigers for several years, they finally agreed to let them go ahead and make a contract with the Postmaster General; and the major subsidized airlines are now in court with lawsuits to keep the mail from being carried at half the rates as it is now being carried.

Mr. O'MAHONEY. That is another illustration of the point I am making in support of the argument which was made this morning by the able Senator from Illinois, who feels that the committee amendment should be rejected. I concur in that feeling, upon the basis of all the evidence that is before me now.

I observe that the Senator from Alabama [Mr. SPARKMAN], formerly candidate for Vice President of the United States on the Democratic ticket, has now entered the Chamber. I know that he presided over a hearing of the Small Business Committee, as a result of which he came to a conclusion similar to that which I have just stated upon the floor, with respect to the false philosophy which has guided the Civil Aeronautics Board in the administration of subsidies for airlines, and in the admission of new carriers into the field.

The field is growing. The demand is growing. It is an ideal place in which there should be new competition. But I have no hesitation in predicting that if the North American Airlines is driven from the field, and subsidies are continued as they are provided for, there will be more mergers among the so-called grandfather lines. Sixteen there were. Thirteen there are now. If the policy which the CAB is following is continued, there will be 10 in another year or so, and control will constantly be narrowed.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LONG. It seems to me we have heard of some smaller airlines serving so-called feeder lines, or serving small communities, without having the opportunity of flying between the large cities, where the real, lucrative revenue is derived, which need subsidies in order to extend service into areas where it does not now exist. I would oppose any effort to reduce subsidies for airlines which are trying to extend service to small communities where service would not otherwise be provided. However, the so-called grandfather lines, the ones which have the best business, the ones which operate between the larger cities on routes where the largest profits are possible, certainly should be able to operate without subsidies.

Mr. O'MAHONEY. I have no doubt about that at all. Unless we change the system, the small States and the less populated communities will receive less and less service.

The North American Airlines, of which I have been speaking, has pending before the Civil Aeronautics Board application for certificates to fly air coaches among some 21 cities, at a rate lower than the rate in effect on the major lines now flying those routes; but the CAB will not render any decision on that application, because it has given priority to a punitive proceeding, which is based not upon charges of violations of safety regulations but solely upon charges of violating minor regulations and of flying too frequently, and of giving too much service to the people of the United States. That is a very poor policy or principle, it seems to me, upon which a Government agency should act.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Certainly.

Mr. LONG. As a matter of fact, the people of the State which I have the honor in part to represent have service available from Eastern Air Lines, which flies to certain points, and we also have service by Delta Air Lines. By referring to page 286 of the hearings, the Senator will notice that Delta Air Lines is not a subsidized airline. Although I recognize Eastern Air Lines as one of the nonsubsidized airlines, and one of the more efficient lines, I am one of those who believe there would be more efficient service if there were competition between the two airlines. I cannot understand why the Delta Air Lines was not given the opportunity of competing with Eastern Air Lines in rendering flying services from points in the East, such as Washington and New York.

Mr. O'MAHONEY. As long as a new enterprise will comply with regulations for the safety of the flying public and for the safety of the property which it transports, then the policy of the CAB should be the policy of the law under which it operates, which is the policy of promoting, not restraining, competition.

Mr. LONG. It is also true that Eastern Air Lines, which is a nonsubsidized line, is anxious to provide service from New Orleans, and perhaps Birmingham and other cities, into Mexico City, without any subsidy. Yet Pan American is subsidized for those flights, and we are asked to appropriate more subsidies and pay more to Pan American, while other airlines are perfectly willing to supply that service without any subsidy.

Mr. O'MAHONEY. I am very glad to have heard the remarks of the Senator from Louisiana.

Mr. President, I have no desire to prolong the discussion——

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a few brief comments?

Mr. O'MAHONEY. I yield.

Mr. SPARKMAN. A few minutes ago the Senator referred to a report which was made by the Small Business Committee about 3 years ago, with reference to the so-called nonscheduled airlines. In that report we made very definite recommendations regarding the payment to air mail subsidized airlines. I have never been interested in any one particular case. The Senator from Wyoming has several times mentioned the North American Airlines. It happens that company's case is acute at the present time, because, as I understand the situation, the Board has in effect stopped it from doing business while there is pending an application for certification. Is that not true?

Mr. O'MAHONEY. The revocation order has not been made. A hearing has been held upon the punitive proceedings of the Board against the company.

Mr. SPARKMAN. The recommendation which the Small Business Committee made, and which we ought to keep before us at all times, was based upon its feeling that the Civil Aeronautics Board had not fully utilized existing facilities for meeting the ever-increasing demand of the public for air transportation. It seems to me that has been its greatest weakness, as has been pointed out, from the time of the adoption of the Civil Aeronautics Act until this day. There exist the same main lines, but no increased competition between the major points of air transportation.

As I understand, there are noncertificated carriers which have begged for an opportunity to carry the mail without being subsidized, and have begged for an opportunity to work out some kind of a feasible plan to take care of the increasing demand for air transportation. Yet the Board has never worked out a program which would utilize the existing facilities, but, instead one by one has forced them out of existence. I take it that it is prepared now to force out of business the North American Airlines which is one of the few remaining rather large irregular carriers just as it has done with regard to many other airlines most of which were much smaller than the North American Airlines.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the committee amendment on page 7, in line 16.

Mr. DOUGLAS. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Barkley	Holland	Mundt
Barrett	Hruska	Neely
Bible	Humphrey	Neuberger
Bush	Ives	O'Mahoney
Butler	Jenner	Pastore
Carlson	Johnson, Tex.	Robertson
Case, S. Dak.	Johnston, S. C.	Russell
Chavez	Kerr	Saltonstall
Douglas	Knowland	Smith, Maine
Dworshak	Kuchel	Smith, N. J.
Ellender	Lehman	Sparkman
Frear	Long	Symington
Gore	Martin, Iowa	Thurmond
Hayden	Martin, Pa.	Wiley
Hennings	McNamara	Williams
Hill	Millikin	

The PRESIDING OFFICER. A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BENDER, Mr. BENNETT, Mr. BRICKER, Mr. BRIDGES, Mr. BYRD, Mr. CASE of New Jersey, Mr. DANIEL, Mr. DUFF, Mr. ERVIN, Mr. FULBRIGHT, Mr. GREEN, Mr. JACKSON, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MONRONEY, Mr. PAYNE, Mr. PURTELL, Mr. SCHOEPPEL, Mr. SMATHERS, Mr. STENNIS, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the committee amendment on page 7, line 16.

Mr. KNOWLAND. Mr. President, I rise in support of the committee amendment and the position taken by the distinguished chairman of the subcommittee, the able Senator from Florida [Mr. HOLLAND] who is in charge of the bill on the floor of the Senate. I believe that the committee has gone fully into the subject. For the very cogent reasons which have been expressed by the chairman of the subcommittee, I hope the Senate will support the position of the Senator from Florida.

Mr. HOLLAND. Mr. President, there are a few things which I wish to say while a goodly number of Senators are present. I hope Senators who are present will remain to hear me out.

One of the things which we have heard said in the argument recently concluded by the distinguished Senator from Wyoming [Mr. O'MAHONEY] was that if we reduce the appropriation, in some way we shall be helping the small airlines. There could not be a more unsound conclusion reached if the Senator tried all day long to reach it.

I ask Senators to refer to page 286 of the printed record of the hearings. That will show why my statement is true. Senators will find listed there the trunk lines in the first listing, and the local service carriers in the second listing. If Senators will look in the second column from the end they will find that all the trunk lines combined are estimated to receive, in 1956, only $4,648,000 in subsidies, whereas the small lines are estimated to receive $25,135,000 of subsidy; helicopter lines, $2,928,000 of subsidy; States-Alaska operations, $3,549,000; and intra-Alaskan operations, $4,523,000 of subsidy. More will be received by lines which operate in Alaska than by all the trunk lines operating in the United States; and so on down the list.

If Senators will look at the two columns immediately before the ones which I have mentioned, they will see the reasons for the situation which I have described. The large trunk carriers are carrying nearly all the mail, because they are operating between towns and cities where the mail movements are heavy. Senators will find that the trunk cariers are carrying 82 million ton-miles plus of mail, whereas the local service carriers are carrying only a little more than 1 million plus ton-miles.

Furthermore, if Senators will look at the list carefully they will find that all but four of the trunk carriers are drawing no subsidies whatever.

How are we possibly going to hurt them by reducing the amount of the subsidy? The fact is inescapable that those who will be hurt are the small lines, the very ones which are being praised with such enthusiasm by those who are opposing the committee amendment.

If Senators will take the trouble to add up the totals, they will find that of the 82 million ton-miles of mail carried by the big domestic carriers, only 2,700,000 ton-miles are carried by the four trunk lines which receive a subsidy. With respect to all the rest, nearly 80 million ton-miles are carried by the nine large carriers which do not receive any subsidy. The ones which do receive a subsidy, the ones which would be hurt if we reduced the amount so that they would be forced to live on a day-to-day or month-to-month basis of existence, would be the small lines, which must borrow money and pay interest, and which are neither carrying heavy amounts of mail nor earning anything of consequence except by way of subsidy. This conclusion is completely inescapable; no Senator can deny it for a moment, because the facts are before us. The ones which would be hurt are the ones operating on a subsidy. The largest amount is for the list shown of local service carriers.

Before I leave this point, let me repeat that by reducing the appropriation from $55 million to $40 million we would not take one penny away from the nine large carriers who do not have subsidies, because they would not draw anything, whether the appropriation were $55 million, $40 million, or nothing. The conclusion is inescapable that when we reduce appreciably the amount of subsidy which must be paid if the operation is to be kept current in the approaching year, we are striking at the small airlines.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. Will the Senator from Florida tell us what facts were developed with respect to the audit, of which the House report speaks? Have these accounts been audited?

Mr. HOLLAND. The Senator from Florida would say that the House report, in the opinion of the Senate committee, is not wise on this point. In the unanimous opinion of the Senate committee, its recommendation is not in accordance with the judgment of those in the subcommittee, who studied the subject very carefully; not in accordance with the judgment of GAO; not in accordance with the judgment of CAB, and not in accordance with the judgment of anyone we could find who has made a study of it.

The reason is apparent. If the Senator wishes to go back to the actual figures of last year's payments, all he need do is to move a few columns over in the table from which I have read, and he will find substantially the same facts there.

It is a fact that 9 of the great domestic trunk carriers do not draw subsidies and do not care one whit whether we appropriate $55 million or $10 million. The carriers which are looking for prompt payment of their subsidies are those which are serving small communities and which have been created for that purpose. They will be the ones who will be hurt if they must continue to borrow money when Uncle Sam declines to pay them what he owes them.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I have heard the statement of the Senator from Florida and his argument, and I am always impressed with what he has to say. But he has still failed to answer my question. My question was asked for the purpose of eliciting information with respect to the manner in which the audits are taking place, the time in which they have been taking place, to what extent they are current, and what recommendation the House committee makes with respect to these items.

Mr. HOLLAND. I may say to the Senator from Wyoming that the Senate committee has taken care of that situation better than has the House committee. We recognize the fact that the audits are delayed. The Chairman of the CAB came before us and he told us they were behind. He asked us to restore the amount—for the employment of the auditors and others who check the accounts—which the House had cut from the appropriation. We did restore those amounts, because we felt CAB was within its rights in asking for an adequate staff inasmuch as we have asked it for adequate performance. It seemed to the Senate committee that both the House and the House committee, although, of course, they made a careful review, were guilty of poor judgment, first in cutting the funds for the auditors and, second, in cutting the budgeted amount which is necessary to carry on the payments.

Mr. O'MAHONEY. May I ask the Senator another question?

Mr. HOLLAND. In a moment. We believe the result which will be accomplished by increasing this appropriation will be further to strengthen some of the smaller airlines, which will be more affected by a cut than others. Certainly the large domestic lines will not be affected, because they do not draw any

subsidy. The Senator knows that to be correct, does he not?

Mr. O'MAHONEY. I know it is the small lines that need the subsidy. However, I have yet failed to see an audit which has established whether or not the large lines are actually free of subsidy. The point which the House made, as I understand, was that the appropriation should be held down while the audits were being made current. Is there any reason why that policy should not be followed? The Senator has acknowledged that the audits are not up to date.

Mr. HOLLAND. The Senator from Florida has also pointed out that the House by its action would have put the audits further behind by cutting the number of auditors provided for in the budget estimate.

Mr. O'MAHONEY. Will the Senator from Florida advise the Senate to what extent the General Accounting Office has ever undertaken an audit of these payments?

Mr. HOLLAND. The General Accounting Office is in the course of a general audit now, and has made a very extensive interim report to our committee. It is a confidential report, unfortunately. That does not mean that Senators may not see it. I hold the report in my hand. I would not want the Senator from Wyoming to think that our committee had not gone to the accounting agency of Congress and asked for every bit of help it could give us and that it did not give us all the help it could. Unfortunately, it is a confidential audit, because it is not yet complete. However, I am glad to pass it to the Senator from Wyoming.

Mr. O'MAHONEY. I have no desire to examine a confidential audit. I am merely suggesting to the Senate that it might well be in the public interest to withhold the increased appropriation until an audit by the General Accounting Office has been completed. That is my whole argument. The subsidy payments have not been audited. They have not been audited by the GAO. The Senator testified to that fact himself. Therefore I say let us await the audit before continuing to appropriate these huge sums.

Mr. HOLLAND. The Senator should not put words in my mouth.

Mr. O'MAHONEY. I would not consciously do that.

Mr. HOLLAND. The GAO is auditing——

Mr. O'MAHONEY. The Senator stated it was a confidential and incomplete report.

Mr. HOLLAND. It is not a complete report. However, we do know that a good job is being done and that there is no disparity between the GAO approach and that of the CAB auditors. So far as the Senate committee is concerned, we believe that the mode of approach which is suggested by the Senator from Illinois, and which has been concurred in by the Senator from Wyoming, will accomplish exactly the wrong kind of result, because it will strike, not at the large carriers, which Senators feel have been treated too kindly, but at the small carriers, who need kind treatment, and for whose benefit the act was passed.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CASE of South Dakota. I note in the hearings that the statement submitted by the CAB sets forth that if sufficent funds are not appropriated, the agency will have no alternative other than to request a supplemental appropriation, and that their original budget estimate was $63 million. The committee is proposing $55 million, which is $8 million less than the original estimate. Is that correct?

Mr. HOLLAND. The Senator is correct. The situation is a little worse than that, I may say, because at the time the budget was prepared, the agency felt reasonably sure it would have to request that a supplemental appropriation be granted.

That is because, in addition to the $63 million budgeted amount, there is a carryover from last year, unpaid and owing for a good while, of $6,300,000.

The committee, quite mindful of the fact that there were apt to be changes as the year went forward, addressed the question very earnestly to those it thought could best answer it. The witnesses for the Civil Aeronautics Board conferred together and finally came up with the figure of $55 million, which would still leave the agency, even under favorable circumstances, in the position of having to come back to Congress for a supplemental appropriation. They did feel this amount would be nearer to the irreducible minimum than any other figure the agency could suggest.

It was that irreducible minimum which the subcommittee unanimously reported to the full committee and which the full committee has unanimously reported to the Senate.

Mr. CASE of South Dakota. Having in mind that a supplemental request would be made in connection with this item, is the converse true, namely, that if the $55 million should prove to be more than is needed, after the General Accounting Office has made its audit, the money would not be spent, but would remain in the Treasury of the United States?

Mr. HOLLAND. Of course, that is true. I am glad the Senator has asked that question. If there should be an overappropriation, there would be a carryover of funds in the Treasury. However, the intention and conviction of the committee is that it has reported an irreducible minimum in the $55 million. In the committee report the Senator will find a statement to the effect that there will be a request for a supplemental appropriation.

Mr. CASE of South Dakota. Since the Senator has given assurances that the money will not be spent if it is not needed on the basis of the GAO audit, and since the committee has put in this protective measure approximately $15 million less than he assumes might be needed, it seems to me there is no reason for any Senator not to support the recommendation of the committee.

Mr. HOLLAND. I thank the Senator. What we are trying to do is to meet this payday obligation—to pay off a Federal obligation entered into under Federal law.

One more point, Mr. President, and I shall be through.

It seems to me that the distinguished Senator from Wyoming has fallen into the same error as that into which the Senator from Illinois has fallen. The Senator from Wyoming makes his principal point on the alleged treatment of the North American Airlines, and inveighs at great length because he does not think it has had a fair deal from the Civil Aeronautics Board. That may be true, but the answer to it, if that be the case, is in a change in the law or in a change of the personnel in CAB or a change in the administration of the law, and not in a withholding of money from airlines which have earned it under solemn arrangements with the United States Government—withholding payments which should be made as near the time when they are due as it is possible to make them.

If there be a feeling that there should not be subsidies; if there be a feeling that the law is inadequate or improper and should be amended; if there be a feeling that the CAB personnel is not sound—and I do not share that feeling—if there be a feeling that the General Accounting Office is not properly staffed; if there be a feeling that the Internal Revenue Bureau is not properly staffed—and I recall that the Senator from Illinois spoke of the fact that suits had not been brought to recapture certain money, although authority to institute such suits does not lie in the CAB itself, but is solely in the hands of the tax-enforcing officials, if any or all of those things are true, the remedy is not in strangling contractors with the United States who have established their businesses and are operating them on the faith of the present law and in the belief that Uncle Sam will be honest and fair and will pay the obligations due them.

Mr. President, we think the committee amendment should by all means be adopted, and we hope the Senate will agree to the amendment.

Mr. DOUGLAS. Mr. President, I had not intended to speak again on this subject, because it has been quite thoroughly debated this morning and on Tuesday, but the statements of the Senator from Florida need to be brought into line with the actual facts as they exist.

The Senator from Florida says that if we cut these appropriations, the first group to suffer will be the feeder lines which run north and south in general connecting with the transcontinental lines east and west. The record shows that the $40 million, if appropriated, would be sufficient to pay the entire $25 million to those feeder lines, sufficient to pay the requested $4.6 million to the domestic trunklines, sufficient to pay $3 million to the helicopter services, $2.2 million to the States-Alaska carriers, excluding Pan American, and sufficient to pay $4½ million to the intra-Alaska lines, and the requested $0.7 million for the Hawaiian lines. The requested claims for all the above groups total $40 million.

What we are trying to do is to reduce the subsidies to the international airlines, particulary the Pan American Airlines.

On May 18, 1955, the Comptroller General laid down the order of priority of subsidy payments. He addressed a letter to the Chairman of the Civil Aeronautics Board and I ask unanimous consent that the entire letter be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, May 18, 1955.

Hon. ROSS RIZLEY,
Chairman, Civil Aeronautics Board.

DEAR MR. RIZLEY: Reference is made to letter dated May 3, 1955, with enclosures, from the Acting Chairman, Civil Aeronautics Board, requesting a decision respecting possible limitations upon the use of the sum of $8.9 million, provided in the Second Supplemental Appropriation Act, 1955, for payments to air carriers by the Civil Aeronautics Board.

The letter of the Acting Chairman states that the Board is confronted with two problems: first, the supplemental appropriation of $8.9 million, together with cash on hand April 21, 1955, of $1,657,192, is not expected to be sufficient to cover claims from all carriers that would normally be processed for payment between April 22 and July 1, 1955; and, second, what use the Board may make of the supplemental appropriation in view of an apparent intent to limit such use.

The appropriation in question, appearing in Public Law 24, 84th Congress, 1st session, approved April 22, 1955, reads as follows:

"For an additional amount for 'Payments to air carriers,' $8.9 million, to remain available until expended."

Standing alone, the above provision contains no patent ambiguity and, hence, ordinarily would present no problem of construction. In the absence of any express language limiting its use, it would be reasonable to hold that, from a strictly legal standpoint, the amount appropriated would be available for the payment of claims from all carriers that would normally be processed for payment. However, in the light of the legislative history of the bill, which reflects numerous expressions of intent seemingly at variance with one another, it becomes necessary to further analyze the matter for the purpose of ascertaining as nearly as possible the exact intent of the Congress during consideration and passage of the bill. As a basis for such action, attention is invited to the case of the *Boston Sand Co.* v. *United States*, (278 U. S. 41), wherein the Supreme Court of the United States stated, in pertinent part, as follows: "* * * It is said that when the meaning of language is plain we are not to resort to evidence in order to raise doubts. This is rather an axiom of experience than a rule of law, and does not preclude consideration of persuasive evidence if it exists."

Also, in *Helvering* v. *New York Trust Company* (292 U. S. 455), the Court again pointed out:

"The rule that where the statute contains no ambiguity, it must be taken literally and given effect according to its language is a sound one not to be put aside to avoid hardships that may sometimes result from giving effect to the legislative purpose. * * * But the expounding of a statutory provision strictly according to the letter without regard to other parts of the act and legislative history would often defeat the object intended to be accomplished. * * *"

The record indicates that the House Committee on Appropriations approved the sum of $5 million, which was a decrease of $10,200,000 in the budget estimate submitted by the Board for subsidy payments to air carriers during the fiscal year 1955. This action was taken apparently for the reason that the committee was of the opinion that certain reductions in subsidy could be effected following application of the principles enunciated by the Supreme Court in the case of *Civil Aeronautics Board* v. *Arthur E. Summerfield, Postmaster General, et al.* (347 U. S. 47), which held that the Civil Aeronautics Board in fixing subsidy must measure the need of a particular carrier by the entirety of its operations and not by the losses of one division or department. Respecting the matter, the committee, in its report No. 207, explained as follows:

"The committee is of the opinion that the Supreme Court decision, if properly adhered to, will result in a substantial reduction in the amount of subsidy, and that the amount allowed by the committee will be sufficient to make payments during the remainder of the fiscal year to domestic lines and international carriers who are not affected by the Supreme Court offset decision."

Subsequently, the Senate Committee on Appropriations recommended restoration of the sum of $15,200,000 as originally requested by the Board, and explained that such amount would make available in the fiscal year 1955 the estimated funds required to pay the obligations of the Government in settlement of sums due to subsidized aircraft operators carrying airmail. The recommendation was accepted by the Senate, and thereafter the bill was referred to a committee of conference which again reduced the amount to $8,900,000. However, contained in the conference report, House Report No. 426, was the following statement of the managers on the part of the House:

"Amendment No. 5: Appropriates $8,900,000 for payments to air carriers, Civil Aeronautics Board, instead of $5 million as proposed by the House and $15,200,000 as proposed by the Senate. The funds appropriated under this head are to be used to pay subsidy claims due for local service carriers."

Because of the uncertainty created by the varying views expressed above, you addressed a communication to the chairmen of both the House and Senate Committees on Appropriations in an attempt to clarify precisely what limitation, if any, was intended to be placed upon the supplemental appropriation. In response thereto, you were informed by both chairmen in effect, that they were agreeable to your proceeding to make payments to local service carriers, domestic trunk lines, helicopters, States-Alaska operations, intra-Alaskan operations, and Hawaiian operations, with the further comment that should sufficient funds remain after claims of the above groups have been met, there would be no objection to such balances being used to pay other carriers.

A review of the legislative history leaves little doubt that, notwithstanding the general terms of the appropriation statute as enacted, it was clearly intended by the Congress that the sum appropriated was not to be used in payments of subsidy to those carriers affected by the Supreme Court offset decision. Aside from that, however, with respect to the limitation of payments to local service carriers, set forth in the House managers' report, it would appear that such phrase, in fact, was intended to include not only the so-called feeder lines, but also the trunk lines within the United States not so affected by the decision. This view is clearly substantiated not only by the letters from the respective committee chairmen, but also by the following discussions on the floors of both Houses of Congress. For example, on March 18, 1955, in the House of Representatives (CONGRESSIONAL RECORD, p. 3196), Mr. HARRIS asked the following question:

"It is my understanding that the subsidy payment that is required would be affected but little by the decision referred to of the Supreme Court of the United States, because that affects the international carriers. It is my understanding that the greater portion of this subsidy is for the local carriers, and I believe three trunkline carriers. Is that true?"

To which Mr. Preston, chairman of the subcommittee, replied:

"The gentleman is correct. We stated in the report that the money appropriated, we thought, would be adequate to take care of the domestic carriers and the feeder lines. It was not the committee's purpose, as stated in the report, to spend any of this money for the international carriers, but preferably for the domestic and feeder lines."

Also, on April 20, 1955 (CONGRESSIONAL RECORD, p. 4819), in discussing the matter on the floor of the Senate, the following question was asked by Senator MONRONEY:

"In granting money to be paid for earned subsidies, may I ask if all the money is to be paid to domestic air carriers now operating within the United States?"

Mr. HAYDEN. "That is correct. I should explain that the Senate estimated that it would cost $15,200,000 to pay all the carriers, both the carriers operating within the United States and those operating internationally. The House appropriated only $5 million. The best figure we could arrive at, which would take care of the carriers in the United States only, was $11,200,000. We were able to raise the House figure to $8,900,000. In other words, we increased the House figure by $3,900,000. The House committee in its report states:

" 'The funds appropriated under this head are to be used to pay subsidy claims due for local-service carriers.' "

Mr. MONRONEY. "These are the carriers within the United States, not strictly the feeder lines we have been talking about in connection with the bill the Senate passed a few minutes ago. In other words, these are trunklines as well as feeder lines within the United States. Is that correct?"

Mr. HAYDEN. "That is correct. The reason for that is stated in the House committee report on the bill."

The information thus disclosed appears clearly to define the congressional intent with respect to the statute and, as such, requires no further comment. Accordingly it is our view that should the Board adhere to the guidelines established above, especially by giving priority to those carriers mentioned by the respective committee chairmen, such action would be in accord with the intent of the Congress and, therefore, would not be objected to by this Office.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General
of the United States.

Mr. DOUGLAS. Mr. President, I am going to read a salient paragraph from that letter:

You were informed by both chairmen, in effect, that they were agreeable to your proceeding to make payment to local service carriers, domestic trunklines, helicopters, States-Alaska Operations, Intra-Alaskan Operations, and Hawaiian Operations, with the further comment that should sufficient funds remain after claims of the above groups have been met, there would be no objection to such balances being used to pay other carriers.

That lays down the order of priority. The lower groups on the totem pole are the transoceanic carriers. Under the House figure of $40 million, without any necessity to raise it to $55 million, the local service carriers will be paid in full; the domestic trunklines will be paid; helicopters will be paid; States-Alaska Operations will be paid; Intra-Alaskan

Operations will be paid; and Hawaiian Operations will be paid. All these groups can be paid their full requested amounts under the $40 million figure set by the House. There is, therefore, no need to increase the appropriation from $40 million to $55 million in order to take care of the local service feeder lines or any of the other groups mentioned. Under the House figure of $40 million the one group which would have its subsidy reduced would be the transoceanic group.

When we deal with transoceanic lines we must realize that the northwest line to Alaska and the Orient has no subsidy at all, and TWA has no subsidy. So it boils down to whether Pan American Air Lines should get the money or whether it should be withheld pending audit.

Mr. President, in preceding days I tried to deal with some of the items of expenditure of Pan American Air Lines which I questioned. In the first place, I pointed out that Pan American owes the Government $6.8 million. They have lost $2½ million on their hotel investments in Latin America, which pulled down their financial position. One hundred percent of their taxes are paid by the Government, although in the case of other great carriers only about 4 percent of their taxes are paid.

Mr. President, I think the Senator from Florida earlier said that this was pay-up day and pay-off day. I do not want to pay off Pan American with money which is not due. I think we should not compel the taxpayers to pay up for something which they do not really owe.

Mr. NEUBERGER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. I should like to have the date of the letter of the Comptroller General to which the Senator referred.

Mr. DOUGLAS. May 18, 1955. It is a letter addressed to Ross Rizley, Chairof the Civil Aeronautics Board.

Mr. NEUBERGER. I did not quite follow everything the Senator read. It makes clear that such small lines as Frontier and West Coast and Pacific Northern would be ahead in priority in the payment of subsidies over transoceanic lines. Is that correct?

Mr. HOLLAND. Mr. President, is it not true that the letter to which the Senator has referred is based solely upon payments of a limited amount covered by the second supplemental bill last spring and on the wording of the conference report on that bill?

Mr. DOUGLAS. It depends on what limitation, if any, was intended to be placed on the supplemental appropriations. The principle of priority can be made to hold for all appropriations, if it does not do so already.

Mr. HOLLAND. I am sure the Senator cannot desire that statement to stand. He will find the letter relates wholly to a very small appropriation under the second supplemental bill, and solely to the opinion of the General Accounting Office as to what should be done because of the directions given in the conference report upon that measure. Is that not correct?

Mr. DOUGLAS. No; I do not think it is correct. However, if there is any doubt about the intent, it could be extended now.

Mr. HOLLAND. I do not wish any question to arise of the correctness of that statement. I now hand to the distinguished Senator from Illinois the conference report of the managers on the part of the House. I invite his attention to the provision relative to the payment, and I ask him to revert to the letter to see if that is not the basis for the letter.

Mr. DOUGLAS. It is somewhat difficult to determine that point.

Mr. HOLLAND. Does the Senator from Illinois see any objection to placing the letter in the RECORD?

Mr. DOUGLAS. Certainly not. In fact, I have already placed it in the RECORD at an earlier point.

Mr. HOLLAND. Mr. President, I know the letter relates solely to the supplemental appropriation and the interpretation of the direction by Congress in the conference report.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hennings	Monroney
Barkley	Hill	Mundt
Barrett	Holland	Neely
Bender	Hruska	Neuberger
Bennett	Humphrey	O'Mahoney
Bible	Ives	Pastore
Bricker	Jackson	Payne
Bridges	Jenner	Purtell
Bush	Johnson, Tex.	Robertson
Butler	Johnston, S. C.	Russell
Byrd	Kerr	Saltonstall
Carlson	Kilgore	Schoeppel
Case, N. J.	Knowland	Smathers
Case, S. Dak.	Kuchel	Smith, Maine
Chavez	Langer	Smith, N. J.
Daniel	Lehman	Sparkman
Douglas	Long	Stennis
Duff	Magnuson	Symington
Dworshak	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Frear	Martin, Pa.	Welker
Fulbright	McCarthy	Wiley
Gore	McClellan	Williams
Green	McNamara	Young
Hayden	Millikin	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. As I understand, the issue before the Senate on which the yeas and nays have been ordered is the committee amendment on page 7, line 16. Is my understanding correct that a vote of "yea" is a vote to support the committee amendment; a vote of "nay" is a vote to reject the committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Do I understand correctly that a vote of "yea" is a vote for the $55 million provided in the committee amendment and a vote of "nay" is a vote for the $40 million provided by the House?

The PRESIDING OFFICER. In terms of figures, the Senator from Illinois is correct.

The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee, to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

On this vote the senior Senator from from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Maryland would vote "yea."

I also announce that, if present and voting, the Senator from Montana [Mr. MURRAY] and the Senator from North Carolina [Mr. SCOTT] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Maryland [Mr. BEALL] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funeral of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Massachusetts [Mr KENNEDY]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Vermont would vote "nay."

The result was announced—yeas 51, nays 24, as follows:

YEAS—51

Barkley	Green	Mundt
Barrett	Hayden	Neely
Bender	Holland	Pastore
Bennett	Hruska	Payne
Bible	Johnson, Tex.	Purtell
Bricker	Johnston, S. C.	Robertson
Bridges	Kerr	Russell
Bush	Knowland	Saltonstall
Butler	Kuchel	Schoeppel
Carlson	Langer	Smathers
Case, N. J.	Malone	Smith, Maine
Case, S. Dak.	Martin, Iowa	Smith, N. J.
Chavez	Martin, Pa.	Stennis
Daniel	McCarthy	Thye
Duff	McClellan	Watkins
Dworshak	Millikin	Wiley
Ellender	Monroney	Young

NAYS—24

Aiken	Humphrey	McNamara
Byrd	Ives	Neuberger
Douglas	Jackson	O'Mahoney
Ervin	Jenner	Sparkman
Frear	Kilgore	Symington
Gore	Lehman	Thurmond
Hennings	Long	Welker
Hill	Magnuson	Williams

NOT VOTING—21

Allott	Dirksen	Kefauver
Anderson	Eastland	Kennedy
Beall	Flanders	Mansfield
Capehart	Fulbright	Morse
Clements	George	Murray
Cotton	Goldwater	Potter
Curtis	Hickenlooper	Scott

So the committee amendment on page 7, line 16, was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment which was passed over.

The next amendment passed over was, under the subhead "Business and Defense Services Administration," on page 8, line 24, to strike out "$6,198,000" and insert "$6,900,000."

Mr. MUNDT. Mr. President, I have an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

Mr. HOLLAND. Mr. President, may we have the page and line, please?

The PRESIDING OFFICER. The amendment is on page 8, line 24.

The LEGISLATIVE CLERK. In the committee amendment on page 8, line 24, it is proposed to strike out "$6,900,000" and in lieu thereof to insert "$7,000,000 including not less than $370,000 to be available only to the Area Development Division."

Mr. MUNDT. Mr. President, if I may have the attention of my colleagues, I believe I can reduce what might have been a speech lasting one hour or one hour and a half, to perhaps 10 or 15 minutes, or even less, because I believe that the amendment I am submitting to the committee amendment will appeal to every Member of the Senate. I may state that I had hoped to discuss at considerable length my amendment to this committee amendment, but the hour has grown late and I shall be brief.

My proposal is that we bring up to the level of the request of the Bureau of the Budget, and up to the level of the request of the President, and up to the level of the amount proposed by the Joint Economic Committee, headed by the Senator from Illinois [Mr. DOUGLAS], the amount of the appropriation for the Area Development Division of the Business and Defense Services Administration, Department of Commerce. Only that, and no more.

Let me say that the Area Development Division is proof of the fact that something new can happen in America, for it is a new agency of the Department of Commerce, and has the responsibility of doing something which every Member of the Senate has been advocating at least since World War II and, in the case of some Members, since World War I, namely, that in connection with the fabrication of the vast numbers of defense products and the activities in which the Federal Government is interested, there should be reasonable dispersal from the great metropolitan areas of the country to the smaller communities of States which house the large cities, and also to include the States which do not happen to have within their borders great metropolitan areas.

I can think of no valid objection to my amendment to the committee amendment, except on the part of those who might be interested only in large industries or large communities, as opposed to small industries or small cities or rural States, because my amendment to the committee amendment provides for increasing the appropriation for this new office to a total of only $250,000 a year, which will enable small-business men or the representatives of rural States to come to Washington and obtain one-stop service, in receiving answers to their questions. The area development division is a clearinghouse on all data for all people interested in getting facts to use in developing new industrial opportunities in their areas or communities.

Mr. BRIDGES. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am glad to yield to the distinguished Senator from New Hampshire.

Mr. BRIDGES. As the Senator from South Dakota well knows, there is opposition to his amendment to the committee amendment.

The Appropriations Committee tries to appraise and evaluate the services of the various agencies and divisions for which appropriations are requested. I admit that the Senator from South Dakota, in his very eloquent and able manner, presented a very logical explanation for this item.

Mr. MUNDT. I thank the Senator from New Hampshire.

Mr. BRIDGES. However——

Mr. MUNDT. Mr. President, I was hoping the Senator from New Hampshire would stop there. However, let him proceed. [Laughter.]

Mr. BRIDGES. However, the Senator from South Dakota well knows that when the Federal Government participates in the matter of relocating businesses, unless new businesses are created, they are bound to be taken from older areas and put into new ones.

So far as we in New England are concerned, we are sick and tired of having other areas raid our industries and relocate them in other sections of the country.

But, Mr. President, bearing in mind the strong testimony submitted by the very able Senator from South Dakota, the committee voted in favor of an appropriation of $150,000, instead of $250,000, in this case. The committee felt that would curtail somewhat the activities of this agency, so that it would not be able to solicit the transfer of such industries, as it has in the past.

Mr. MUNDT. Mr. President, I appreciate the validity of the statement of the Senator from New Hampshire, as against any effort by a Government agency or bureau in the direction of moving an industry from New England to any other area of the country.

However, I should like to point out that not far from his region of New England—at least, from a geographical point of view, to those of us who live in South Dakota, Connecticut would certainly seem to be included in New England—is the State of Connecticut; and I should like to refer to the testimony of a member of a Connecticut commission, who has urged the inclusion in this bill of the full amount for this item and even more than under the amendment proposed by me to the committee amendment. I refer to the testimony submitted on behalf of that commission, for it was stated that some of the Connecticut industries—especially in the case of the textile industry—have been drifting to the South. The testimony was that this new agency or division is providing very definite help in regard to the establishment in New England of new industries, to replace some which have been drifting into other areas.

Mr. PURTELL. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. PURTELL. I wish to ask the Senator from South Dakota to change the word "drift" to the word "yank," for such industries have not actually been drifting into other areas. In at least some instances the change has been effected directly with Federal funds.

If the Senator from South Dakota desires to have the appropriation for this item increased to the amount of the budget estimate, it must be that his amendment is offered in sheer desperation, because of a desire to retain a few industries in his section of the country.

Mr. MUNDT. Mr. President, let me say that in using the word "drift," I had in mind that it would be better to use that word, rather than to use the word "yank," because in referring to the South, I like to refrain from using the word "Yank." [Laughter.]

Mr. HOLLAND. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. HOLLAND. I am delighted to know that a Senator from the South—in this case, a Senator from South Dakota—and a Senator from New England are in such complete accord, because they were not in complete accord at the committee meeting the other day.

The subcommittee recommended the full amount of $250,000, as included in the budget; but the full committee, after hearing some very strong arguments from Senators on the other side of the aisle, all of whom were most persuasive and most impressive, decided to abandon the subcommittee temporarily, and to vote in favor of the reduced amount.

So I am glad to see this vindication of the sound judgment of the subcommittee; and I gladly accept the amendment to the committee amendment.

Mr. MUNDT. I thank the Senator very much.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from South Dakota to the committee amendment on page 8, in line 24, will be agreed to.

Mr. BRIDGES. Just a moment, Mr. President; let us find out what this amendment to the committee amendment will do.

Mr. MUNDT. My amendment to the committee amendment will simply restore the amount of the budget allotment, namely, $250,000, so that amount will be available for this new agency of the Government, which devotes all its time to helping smaller communities and smaller States, and so that in the Government there will be one place where such communities and States can obtain the information required in order to help establish new industries. In no sense does my amendment to the committee amendment move in the direction of moving industries from one section of the country to another.

Mr. BRIDGES. I wish I could be sure of that, but I am not. When the Federal Government begins to move in the direction of the relocation of industries, I am suspicious, because we in New England have already suffered too much from movements of that kind.

Mr. MUNDT. Mr. President, I have checked into that matter, since the Senator from New Hampshire has raised the objection; and I have the definite word of the Area Development Commission that they have neither the desire nor the authority to relocate industries. They simply provide an advisory service for all communities.

Mr. BRIDGES. Naturally, they may not require the relocation of industries; but they can do a good deal in an informal way.

Mr. MUNDT. Let me say that we have the benefit of the testimony of representatives of Easthampton, Mass., where the West Boylston Manufacturing Co. closed its plant in 1931. This matter is set forth on page 522 of the hearings. In order to locate other industries in Easthampton, the representatives of that community worked with the Area Development Division, and helped establish some small manufacturing plants—12 in number—in order to provide employment once more for the people who live in Easthampton.

So this agency helps the areas which the Senator from New Hampshire in part so ably represents, and which on occasion find an industry moving to another section of the country.

Mrs. SMITH of Maine. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am glad to yield to the distinguished Senator from Maine.

Mrs. SMITH of Maine. Will the Senator from South Dakota inform the Senate the names of the members of the Area Development Commission, and the States from which they come?

Mr. MUNDT. I shall be glad to ascertain that information and to place it in the RECORD if the Senator desires.

But I may say that the chairman of the Commission is a very distinguished manufacturer from New England, who has come to Washington, and serves on the Commission at considerable expense to himself. I believe he lives in Massachusetts. Certainly he would not be in sympathy with attempts to move industries to other areas of the country if that would be detrimental to the beautiful New England area.

Mr. BRIDGES. Does not the Senator from South Dakota think that South Dakota will gain something from this amendment to the committee amendment, if it is adopted?

Mr. MUNDT. I hope South Dakota will be included among the various areas which will be helped. In fact, this Division has already been very cooperative with our people.

Mr. BRIDGES. Does the Senator from South Dakota think the same can be said of New Hampshire?

Mr. MUNDT. I think so. South Dakota and New Hampshire have so much in common that it would grieve me deeply to find that New Hampshire would not benefit. I believe New Hampshire will benefit. As a matter of fact, I think the results are likely to be as they usually are, and that New Hampshire will be closer to the top of the totem pole than will South Dakota.

Seriously, this is something which will benefit every State. Take a State like Illinois or New York, where there are metropolitan areas, and where there is a plethora of wonderful communities, small in size, and rural areas desirous of making available their services in the great dispersal program which is a part of our national-defense scheme. They cannot afford expert guidance. They cannot afford to send representatives to Washington to look around for information. The Area Development Division provides, in one office, a full set of facts. It provides counsel and guidance. It provides booklets and pamphlets. It provides the communities to which I have referred with the aids they need to defend themselves against the encroachments of gigantic business and the further embellishment of the great metropolitan fleshpots of America.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BUSH. How long has this establishment been in operation?

Mr. MUNDT. This is its third year, but actually the second year of genuine service.

Mr. BUSH. What is the appropriation for the current fiscal year?

Mr. MUNDT. The current appropriation is $120,000, I believe.

Mr. BUSH. And the Senator proposes to double it?

Mr. MUNDT. I propose to follow the recommendation of the President. I propose to follow the recommendation of the Bureau of the Budget. This will be its first year of full operation on a nationwide scale. The amount proposed is the amount the agency thinks it will need. It would provide for only a very small number of employees—less than 50—and would provide a minimum of expenditure to achieve a maximum of good, especially to States like Connecticut, which, as the Senator knows better than I do, have been suffering because technological changes and shifts in population have caused the removal from certain areas of a great many manufacturing plants which formerly provided employment for the people of Connecticut. The testimony is replete with illustrations of Connecticut areas where new developments, new industries, have worked with the Area Development Division in order to find a place where their services can be profitably employed.

Mr. BUSH. Does the Senator have in mind the page in the record of the hearings where reference is made to the Connecticut Development Corp.?

Mr. MUNDT. I do.

Mr. BUSH. To what page does the Senator refer?

Mr. MUNDT. I refer to page 520 of the printed hearings, where there will be found a letter from Sidney A. Edwards, the managing director of the Development Commission for the State of Connecticut, dated May 23, 1955, in which he urges emphatically that there be devoted to this project not the $250,000 modestly recommended by the conservative Senator from South Dakota, but, with typical Connectitcut enthusiasm, $370,000.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. MUNDT. I yield.

Mr. BRIDGES. As the Senator knows, I did not favor, in committee, the entire elimination of this item. I might have had that in the back of my mind, but I was perfectly willing to allow the area development division to continue with a reasonable appropriation. The question is, What is a reasonable amount? Some persons ask for $370,000. Others ask for $250,000.

Mr. MUNDT. The taxpayers of Connecticut want $370,000, but I thought probably the area development division could get along with $250,000 and still keep the office serviceable for another year.

Mr. BRIDGES. I heard what the distinguished chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND] had to say. I think he was very fair in his statement. However, I do not feel as does the Senator from Florida. Having heard all the testimony and evidence, it seems to me that if we were to allow the entire budget request, we would be approving everything the area development division might do.

Mr. MUNDT. No; because the legislative history will clearly indicate that the powerful Senator from New Hampshire, with his great influence in our committee, will certainly crack the whip on the Area Development Division if it makes a single move toward taking an essential worker out of New Hampshire or New England and transferring him to some other area.

Mr. BRIDGES. Where are they to get the industries if they do not get them from New England?

Mr. MUNDT. I am happy to answer that question. In the field of chemistry, the field of plastics, and in the development of technocracy, a great number of new industries are developing all the time. The question is, Where can they best be located, especially if they have some impact upon the national defense, so that they may not be in an area at present listed as a target area for potential bombing? As new industries are created, they will operate in that field.

In my own State the Area Development Division is at present working with some persons in rural South Dakota to determine some manufacturing and commercial uses for corncobs and corn kernels, in the development of synthetics and the manufacture of alcohol.

That is a development which impinges on no other area, but it provides commercial utilization for farm products. That is certainly a movement in the right direction. I hope, with the typical generosity which is characteristic of the great Senator from New Hampshire, he will allow the Area Development Division to operate for 1 year at full speed ahead. Then I shall be happy to join him in making certain that they have not moved in, in an effort to disrupt existing industries.

Mr. BRIDGES. The distinguished chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND] stated that he would accept the amendment. I do not wish to see the amendment adopted. I favored the amount of $150,000. I think we must put the brakes on a little.

Mr. MUNDT. Does not the Senator believe that the stern admonition he has issued this afternoon will put the brakes on a timid group of new bureaucrats in the Department of Commerce?

Mr. BRIDGES. I am always willing to give and take. We must find some common ground. However, I do not wish to allow the full amount.

Mr. MUNDT. Does not the Senator from New Hampshire feel, as does the Senator from South Dakota, that if we give them $100,000 more, we shall arrive in conference prepared to give and take, as the Senator has suggested. But if we give and take here, and give and take in conference, and give more than we take, we do not wind up with very much for the Area Development Division. I hope the Senator will go along, and let the give and take occur when we reach the conference.

Mr. BRIDGES. I should like to see the Division operate on a reasonable budget for the coming year. Next year I should like to see a summary of exactly what has been done, what States have been involved, what new industries they got, and where they were settled.

Mr. MUNDT. I am sure we can obtain such information.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. HOLLAND. My statement that I would be willing to accept the amendment of the Senator from South Dakota [Mr. MUNDT] to the committee amendment was predicated upon the very clear understanding with the Senator from South Dakota, and, less formally, but equally clear in my mind, with the Senator from New Hampshire [Mr. BRIDGES], that there was a meeting of minds with respect to the amendment. If those two Senators are not together, of course, I will stand by the decision of the committee. I regret to be placed in what seems to be a dual position. I understood that the Senator from South Dakota and the Senator from New Hampshire had resolved their differences and had agreed upon the amount originally reported by the subcommittee. If they are still quarreling over the amount, I shall have to withdraw my statement, because, of course, I must stand with the committee.

Mr. BUSH. Mr. President, will the Senator from South Dakota yield to me briefly?

Mr. MUNDT. In a moment. I should like to say to my friend from Florida, in order that he will be under no misapprehension, that the Senator from New Hampshire and the Senator from South Dakota are not approaching each other very closely in this matter. We have arrived actually at an agreement on everything except the amount. We are now proceeding to arrive at an agreement as to the amount. We are making progress.

Mr. HOLLAND. I had understood that the Senator from South Dakota and the Senator from New Hampshire had already reached a rapprochement. Inasmuch as the Senator from South Dakota and the Senator from Florida are both from the South, and inasmuch as I thought I had assurances from both the Senator from South Dakota and the Senator from New Hampshire, I made the statement which I made a few minutes ago; otherwise I certainly would not have made such a statement.

Mr. BRIDGES. Mr. President——

Mr. MUNDT. Mr. President, I yield temporarily to the Senator from New Hampshire [Mr. BRIDGES]. I think we may be able to approach each other a little more closely during this colloquy.

The PRESIDING OFFICER. A few moments ago the Chair announced that, without objection, the amendment to the committee amendment would be agreed to. The Chair did not know that there was objection. Therefore, he withdraws that announcement.

Mr. HOLLAND. Mr. President, I ask that the amendment to the committee amendment be passed over temporarily, if Senators are still trying to get together. This involves a very minor matter, although it seems to be of great importance to Senators from New England as well as Senators from the Middle West. The other members of the committee felt that if there was real good to be accomplished for those two areas, if there was a need for the services of this agency on the part of people now out of employment, and that need could be served by this agency, they were willing to go along.

Mr. MUNDT. Mr. President, I have just had a conference with the Senator from New Hampshire [Mr. BRIDGES] in the process of reapprochement which we were discussing a little earlier. We realize, of course, that whatever action the Senate takes is over and beyond what the House allowed, and that in the give-and-take of conference it is necessary to have a meeting of minds. I should like to inquire of the Senator from New Hampshire, who seems to feel that perhaps another $50,000 for this division for the coming year might be appropriate, whether he could go along with a proposal for $75,000 and allow the question to be settled in conference, after we see what the attitude of the House is. We may not be able to hold even the $50,000, but if we adopt a figure of $75,000 additional, we shall have some basis on which to negotiate. Perhaps we can hold the full amount. Perhaps not.

Mr. BRIDGES. Mr. President, I do not wish to delay the vote on this amendment. The House heard the evidence, and did not allow anything.

Mr. MUNDT. The Senator is correct.

Mr. BRIDGES. The Senate Committee on Appropriations allowed $150,000. Of course, I realize that when one branch of Congress allows $150,000 and the other branch allows nothing, there is not much to consider in conference. However, I wish to stress the point that I do not want the Federal Government through this agency or any other agency to pry into States in an attempt to move an industry from one area to another area.

Mr. MUNDT. I think it would be highly appropriate—and it might well be done in a conference—to ask, first, that the Area Development Division does make the report that the Senator has in mind; second, that it limit its activities, as we know it intends to do and should do, to helping communities bring in industries, but not take them from another area.

Mr. BRIDGES. I do not want to hold up consideration of this matter any further. If the Senator from South Dakota and the Senator from Florida can agree on a $75,000 increase, I will accept it, so far as I am concerned.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to, and, without objection, the committee amendment, as amended, is agreed to. The secretary will state the next amendment of the committee which was passed over.

The next amendment passed over was, under the subhead "Maritime Activities," on page 9, line 20, after the word "For", to insert "construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker and two prototype cargo ships; for."

Mr. WILLIAMS. Mr. President, it is my understanding that it is agreeable to the Senator from Florida that we pass over this amendment for the moment and consider the next amendment, which is related to this amendment.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily, and the Secretary will state the next amendment.

The next amendment was, on page 10, line 15, after the word "equipment", to strike out "$64,700,000" and insert "$102,800,000."

Mr. WILLIAMS. Mr. President, I am opposed to the increase recommended by the committee, but first I will yield to the Senator from Florida, who perhaps will be willing either to have the amendment rejected or to explain why he believes it should be adopted.

Mr. HOLLAND. Mr. President, I did not understand the Senator's statement.

The PRESIDING OFFICER. The Senator from Delaware wants an explanation of the amendment or its elimination.

Mr. WILLIAMS. Perhaps the Senator from Florida is willing to have the amendment rejected and thus save the time of the Senate.

Mr. HOLLAND. Mr. President, this item is for maritime activities, and applies to the subject of ship construction and that general field. The House provided for this item an amount of $64,700,000. The Senate committee proposes to increase the amount to $102,800,000. The committee added $38,100,000 for ship construction under maritime activities of the Department of Commerce. The amount which the committee added is primarily for three things which would be eliminated by the bill as passed by the House, all of which are estimated for in the budget.

First, there are three prototype vessels, all of which are essential to defense mobilization requirements. One of them is a high-speed tanker, and the other two are cargo ships to be constructed along lines which are thought to be improvements.

Incidentally, the Navy is strongly supporting the construction of these three prototype ships. The Navy proposes to put them into active operation and test their effectiveness just as soon as it can get the ships. They would be a part of the Navy's Military Sea Transport Service.

Second, it is necessary to keep up the level of the tanker trade-in program which was recommended last year. The House has cut the amount in half, allowing $11,500,000. The Senate committee restored the other half of the cut, or $11,500,000.

Third, there is the restoration of half the budgeted amount of $5 million for research, which will permit the Maritime Administration to go ahead with the experimental conversion of one more Liberty ship in fiscal year 1956. The restoration of the $38,100,000 will permit the accelerated ship-building program, which the Senate initiated last year, to continue.

I may say that we were thoroughly impressed with the fact that this activity was just as much a part of the defense program and of the defense preparations of our Government as were those portions of the program which will come under the armed services appropriation bill and under the military public-works bill.

As to these three prototype vessels, although the members of the committee are not maritime experts, we were greatly impressed with the fact that there was an obligation placed by Congress upon this agency to develop new and adequate ships to meet the trying conditions of modern times. We felt that the recommendation of the Budget Bureau, which has been very conservative in the approval of many items, even in the field of defense, should be given very great weight, and of course the recommendation of the agency itself, particularly when it was strongly backed by the Navy, which explains that its merchant transport support is now much too slow to meet modern conditions.

The item for the tanker trade-in program rather explains itself. The House cut the figure for the tanker trade-in program started last year in half, by striking out $11,500,000. It seemed to the committee that the full program should go ahead. If there is anything wrong with the program, let us stop it.

That program, of course, has to do with the return to reserve of slow ships which were built during the war, which are to be stored with the other hundreds of war-cargo vessels in the various reserve merchant fleets, and the building of new tankers having greater speed and designed to meet modern conditions.

The budgeted amount for research, we thought, was an important item. It seems to us that in this day, when we are spending so much in research in connection with the atomic bomb, munitions of war, and all the other things which have to do with the armed services, such as guided missiles and the like, we would be very shortsighted indeed if we did not recognize the fact that research is certainly necessary in the case of these vessels—tankers and cargo ships and passenger ships—which must likewise be made adequate in order to meet the conditions of modern atomic-age requirements.

Therefore, Mr. President, we restored these items, believing that was the right thing to do in the national interest. That is the position of the committee.

Mr. WILLIAMS. To point out in answer to the Senator from Florida that some of his own arguments will defeat what he is proposing. He points out that the committee has restored the tanker trade-in allowance in order to modernize the tanker fleet. In the closing days of the session last year we passed a bill—and I supported it—the purpose of which was to provide for a fast speed tanker program. Early this year, in a supplemental bill, the Appropriations Committee authorized certain funds to implement that bill. I supported that appropriation, with the understanding that we would build a modern tanker fleet with speeds of not less than 18 knots. The truth of the matter is that we have not built a modern fleet, but are merely subsidizing the same old-type tankers that were built before we passed the bill.

I should like to read from the committee report and the testimony that was given on this question last year. I read from House Report No. 1929, which accompanied H. R. 9252. This was the bill that authorized the trade-in tanker program, the purpose of which was to give us a fleet of high speed tankers of at least 18 knots each.

I shall not read the whole report, but I would like to quote from a letter sent by Admiral Duncan, Vice Chief of Naval Operations. I shall quote from his letter, but first I ask unanimous consent that the letter may be printed in its entirety at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE CHIEF OF
NAVAL OPERATIONS,
Washington, D. C., June 10, 1954.

Hon. THOR C. TOLLEFSON,
Acting Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: The Judge Advocate General of the Navy has advised me that your committee desires the views of the Navy Department concerning H. R. 9252, a bill to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes, with particular reference to the value for defense purposes of the T–2 tankers which might be traded in under the provisions of the bill.

I welcome the opportunity to express the views of the Navy Department on this matter, since the qualitative deficiencies in the active United States tanker fleet, the approaching block obsolescence of a large part of the fleet and the complete lack of a reserve of tankers against mobilization requirements are of considerable concern to the Department of Defense.

The United States is lagging behind other countries in the construction of modern, fast tankers. A large portion of our tanker fleet is still comprised of World War II T–2 tankers of 14.5 knots speed, which have had hard service and which will all become obsolete in a block in 1963 to 1965. These ships should be replaced in an orderly program by modern, fast, economical tankers if we are to properly supply our needs for petroleum products in the event of a future war.

Our first-line tankers should be ships of a speed of 18 knots or more in order to minimize the hazards of enemy attack and to permit fast turnaround times. However, there is no doubt that we will still have a need for all of the slower ships which are in good condition and which may be available. At present, for all practical purposes, we have no reserve of tankers to meet the greatly increased needs for petroleum products upon mobilization. The T–2 tankers which might be replaced under this bill would form a valuable reserve of usable tankers which, upon mobilization, would supplement the new tankers in the support of military operations until the mobilization shipbuilding program is brought into operation. The T–2 tankers could be used in many areas where the enemy threat is not great, while the new

higher speed tankers serve the more hazardous areas. In this manner the T–2 tankers could continue to serve a useful purpose for many years.

From the national defense point of view, what is needed is an orderly program of construction of improved higher speed tankers which will eventually result in a tanker fleet of active and reserve tankers of adequate characteristics and numbers to meet early mobilization needs in the event of a war. H. R. 9252 is a step in this direction and accordingly has the strong support of the Navy Department. I recommend your favorable consideration of the bill as now written.

Sincerely yours,

D. B. DUNCAN,
Admiral, USN,
Vice Chief of Naval Operations.

Mr. WILLIAMS. I quote from Admiral Duncan's letter, as follows:

From the national defense point of view, what is needed is an orderly program of construction of improved high-speed tankers which will eventually result in a tanker fleet of active and reserve tankers of adequate characteristics and numbers to meet early mobilization needs in the event of a war.

I continue to read from the letter:

Our first-line tankers should be ships of a speed of 18 knots or more, in order to minimize the hazards of enemy attack and to permit fast turnaround times.

I next quote from a letter sent to the committee by Sinclair Weeks, Secretary of Commerce, which was printed in the same report in support of this same proposal. I will quote only a part of the letter that—

If the legislation is enacted the Department, at this time, believes that the 18-knot sustained-sea-speed requirement is the only feature that might require the payment of a national-defense allowance. While the determination of the national-defense allowance for speed will be difficult, no such allowance will be approved unless it is for an item or feature which would not be built into the tanker except to meet national-defense requirements, or one which has a cost disproportionate to its commercial utility.

The bill passed by Congress was also supported by Mr. Rothschild, the Chairman of the Maritime Commission, for the same reason. I am quoting Mr. Rothschild's statement:

Under the projected program, the national-defense-required speed will be a sustained sea speed of 18 knots under normal operating conditions. We plan to determine the normal speed on a company-by-company basis after consideration of the companies' operating practices, policies, and other pertinent factors, including the companies' fleet average speed and the speed of any postwar construction undertaken by the companies.

The testimony of all three officials representing the top agencies was that we needed a tanker fleet with a minimum speed of 18 knots. I do not think there is a Member of the Senate or a member of the committee which reported the bill who will dispute the fact that the bill was passed with the clear understanding that we were authorizing a high-speed tanker fleet with a minimum speed of 18 knots. Now there have been 4 tankers contracted for, but only 1 of them carries a speed of 18 knots. The others are the old slower speed type tankers, yet they received the same subsidy formerly approved for the high-speed ships. The company was given the same subsidy provided for in the bill, but they built the same old type of slow-speed tankers.

Yet the high-speed feature was the major excuse used to justify the payment of any subsidy at all.

We are now asked to appropriate another $23 million to carry out the program on the promise that they will now and in the future be good boys and see that we get high-speed tankers. I do not think we have any right to appropriate the money until they explain why they did not carry out their instructions in the first place. Let them come to Congress and explain why they paid out these subsidies without getting value received.

They merely say now, "Give us another $23 million and we will do better next time." No effort is made to justify their past actions.

I do not think there can be any contradiction of the fact that they are tentatively discussing a contract now with the Gulf Oil Co. involving a trade of 5 tankers for 2, and again they are contemplating a speed of only 17 knots for those tankers. We are told this will be held up now but it is being held up only because the House filed a complaint and of the objections being raised here.

I repeat that notwithstanding the fact that they justified this program of high-speed tankers before the Congress as being in the interest of the national defense. They have been using the money to build tankers which only last year they described as obsolete.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. I should like to make a statement in my own right, if the Senator will yield for that purpose.

Mr. WILLIAMS. I would rather the Senator would wait until after I have concluded my statement.

Mr. BUTLER. May I inquire whether the Senator intends to discuss the matter item by item?

Mr. WILLIAMS. I shall be glad to yield to the Senator if he wishes to reply to this particular project. Then I shall take up another item later.

Mr. BUTLER. I thank the Senator. The Senator's main point, as I understand, is that the Maritime Administration came to Congress and asked that the bill be enacted on the basis of constructing high-speed tankers.

Mr. WILLIAMS. Is not that correct?

Mr. BUTLER. As the bill was passed by the Senate, irrespective of the testimony, the heart of the bill was that the speed of the vessels should be set at a figure, as stated by the Department of Defense, which was best for the national interest.

Mr. WILLIAMS. From reading the letters from the Secretary of Commerce and from an admiral of the Navy, and from the chairman of the Maritime Commission I have been unable to find out whether any flexible figure was stated. The figure of 18 knots was used throughout the testimony as being the minimum requirement.

Mr. BUTLER. I was about to address myself to that point. At that time it was the fixed policy of the Department of Defense to have tankers with a speed of approximately 18½ knots. After the enactment of the tanker law the Department of Defense reconsidered the whole subject and, as I understand, certified to the Maritime Administration that any tanker which had a speed between 16 and 20 knots would be satisfactory and would meet all the requirements of the Department of Defense. This year the Department of Commerce asked $22,400,000 for the acquisition of traded-in tankers under the trade-in plan. The Senate committee allowed the full amount. The House cut the amount requested in half, which is conclusive proof, to me, that the House, after hearing all the facts, was apparently completely satisfied that the purposes of the law are being carried out and that there are being constructed, under the law, tankers which are satisfactory to the Department of Defense.

Under the program for fiscal 1955, eight tankers are authorized to be constructed, most of them with a sustained speed of 16½ knots, which is within the prescribed limit set by the Department of Defense as being usable for defense purposes. This speed is within the 18 knots testified to Mr. Rothchild and by the Department of Defense.

I think I have produced ample proof that after the enactment of the bill the Department changed its mind and revised downward somewhat its estimate of the requirements for national security.

Mr. WILLIAMS. Mr. President, while there are several Members on the floor, I ask for the yeas and nays on the amendment at this time.

The yeas and nays were ordered.

Mr. BUTLER. Mr. President, I think the main point which has been made by the Senator from Delaware is that, inasmuch as the Department of Defense and the Department of Commerce did not do what they said in their testimony they would do, we should bring them back again and go over all that has been done in the House of Representatives. All the witnesses from the Department of Defense have been heard. I respectfully say to the Senator that that has been done in the House of Representatives. All the representatives from the Department of Defense and the Department of Commerce have been heard. The House was perfectly satisfied with the explanation they gave and did not cut out the appropriation, but, as a matter of fact, appropriated half of what was asked, apparently in the interest of economy, which, in my opinion, is an approval by the House of what has been done under the program to date, and is a go-ahead sign from them that, so far as they are concerned, they would like to see the tankers built.

Mr. WILLIAMS. I wish to make it clear that I am not setting myself up as an authority on what the speed of tankers should be. When the Department of Defense came before the committee last year, in the closing days of the session, and said they needed 18-knot tankers, I supported the bill. I felt they knew more about the subject than I did.

If the Department of Defense says today that it has changed its mind, as the

Senator from Maryland points out, and will now say that it will be satisfied with 16½-knot tankers, I will not dispute their views.

However, if they have changed their minds, and have decided they do not need 18-knot tankers then there is no need for this $23 million appropriation. I go back to what Sinclair Weeks, the Secretary of Commerce, said to the committee, namely, that the only feature of the tankers which would require a subsidy was that which calls for increased speed. So if the Department of Defense has now changed its mind and says it does not need 18-knot tankers, as they have apparently done, my point is that this part of the appropriation should be stricken out, because we then have no justification for subsidies for the construction of the tankers. Let us not pay a subsidy for 18-knot tankers, which we are doing today, and then have slow speed tankers constructed.

It is time that the Department made up its mind and starts spending the taxpayers' money for the purpose for which it was authorized.

I am perfectly willing to support a program requested by the Defense Department for a 16-, 18-, or 20-knot tanker but I am not willing to pay for something we do not get.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Will the Senator give the Secretary of Commerce the same break as he gives himself? The Secretary of Commerce is not an expert on speed. He was merely telling the committee what the Department of Defense had told him. When the Department of Defense has revised its thinking and now says that a 16½-knot tanker will do the job that an 18-knot tanker will do, why hold that against Sinclair Weeks?

Mr. WILLIAMS. I have great respect for Mr. Sinclair Weeks; that is why I am quoting him here today. He said the 18-knot feature was the only excuse for a subsidy.

Mr. BUTLER. All he is doing is reflecting the thinking of the Department of Defense.

Mr. WILLIAMS. I recognize that that is what he is doing but they change their mind so fast he is having trouble keeping up with them.

But what we are being asked for here today is to continue a subsidy for the building of high-speed tankers when, in reality, we shall be building only low-speed tankers. If the Department of Defense has changed its mind, certainly we should not continue to pay a million or a million and a half dollars a tanker for high-speed tankers which will not be constructed.

All that I am asking is that we not pay for something we will not get. That is exactly what we are doing in this appropriation.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BRIDGES. I should like to have the Senator's position made clear. I stepped off the floor momentarily, and when I returned the distinguished Senator from Delaware was speaking. I heard him say that the Committee on Appropriations had either made a mistake or else had not been given the facts. Will the Senator state how he arrives at that conclusion?

Mr. WILLIAMS. The Committee on Interstate and Foreign Commerce last year reported a bill on the recommendation of Mr. Rothchild, Mr. Weeks, and the Secretary of the Navy providing for the construction of 18-knot tankers. I supported the bill. I think the Senator from New Hampshire did likewise.

Earlier this year the Committee on Appropriations recommended an appropriation to put that plan into effect. I supported the appropriation. The testimony before the committee again was for funds to put into effect a high-speed tanker-building program. My charge is that those funds have not been spent for the purpose for which they were appropriated; they have been spent for the same type of low-speed tankers—at least, for 3 out of 4 thus far contracted for. The committee acted in good faith but they were misled.

Mr. Weeks, the Secretary of Commerce, told the committee at the time the legislation was passed that if low-speed tankers were built, a subsidy was not needed. Yet the same subsidy has been paid for the building of low-speed tankers that was authorized for the construction of the high-speed tankers.

I say again that I am not trying to determine the speed that is needed, whether it be 16 knots or 20 knots; I am willing to leave that decision to someone who knows about the situation. If 18- or 20-knot tankers are needed, and if 18- or 20-knot tankers are to be built, I will vote for an appropriation to construct them. But I do not want to give money to an agency which has been building low-speed tankers, which is still pledged to build low-speed tankers, when they get that money from the Congress on the basis it will be used for high-speed tankers. As evidence that they know this was wrong they are now frantically trying to change their policy. But if they again get the money, they may do exactly what they did before, namely, spend the money for the building of low-speed tankers.

We have a responsibility to stop the funds until we can correct the legislation whereby we will know this will not happen again. There are millions involved in this deal and certainly no one contends that the major oil companies cannot afford to build their own tankers except as special defense features are required by the Government.

What we are doing is paying for these special features without getting them.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr SALTONSTALL. Since the Senator from Delaware started to speak, I have received information that of the 5 tankers which are under consideration, a contract for 1 of them is firm; contracts for the other 4 are under contemplation as to design, and so forth.

The tanker to be built for Esso will have a speed estimated at 18.3 knots. The one which is firm for Texas Co. will have a speed estimated at 18.5 knots. The 2 tankers contemplated to be built for Gulf will have an estimated speed of 17 knots. Three are under contemplation at the present time; one of them is firm.

Mr. WILLIAMS. That is correct; that is the same information I have. But I point out again the latter part of the Senator's own statement, in which he said that the two contemplated to be built for Gulf will have a speed of 17 knots.

I fail to find—if I am in error, I hope the Senator from Massachusetts will point out where—anywhere in the legislation in which Congress has authorized this program any reference to tankers having a speed below 18 knots. They were all to be 18- to 20-knot tankers. The bill was passed and the subsidy authorized on the basis of the construction of 18-knot tankers.

There is a difference in the cost of 18-knot and 17-knot tankers. Yet at the same time the subsidy which was given for the building of 16½-knot or 17-knot tankers was in the same ratio as that proposed for the 18- to 20-knot tankers in the bill.

Mr. SALTONSTALL. It is my memory of a year ago—I did not hear the testimony discussed in detail this year—that the program was being contemplated last year because the T–2 tankers were slower and would hold less. The idea was to turn the T–2 tankers back to the reserve fleet and to help build new ones. The purpose of constructing new ones was to build up, by commercial companies, a tanker fleet. The figures showed that Norway, Great Britain, and other countries were away ahead of the United States in tanker construction, and we would have to rely on those countries for tankers unless we built some ourselves.

As I remember, the defense feature included not only the matter of speed, but also the problem of the division of tanks and all that went with it.

Mr. WILLIAMS. That is true; but the extra defense features cost only about $180,000 or $200,000 a tanker, whereas the speed item was to cost about $1 million payable by special trade-in allowance.

Mr. SALTONSTALL. On page 164 of the hearings before the Senate Committee on Appropriations this year, the following statement appears:

> It is anticipated that most of the new tankers will be constructed without allowances for national-defense features. However, the program does provide for granting such allowances as a means of insuring construction of vessels with speeds suitable to meet military requirements. Accordingly, it is estimated that at least three of the new tankers will require defense features.

What we are trying to do, without having the United States Government own all the tankers operated in this country, is to have new tankers built by commercial companies, and to have the tankers available, if necessary, for defense purposes.

Mr. WILLIAMS. I am in complete accord with the Senator's objective. I supported the legislation at the time it was passed; and I still support it. But I think the Senator from Massachusetts will agree with me that the Government is not getting for the money it is putting up that which Congress authorized and

thought the Government would get, namely, a high-speed tanker program. Three out of the four, or 75 percent, of the fixed contracts which have been let have been for the same old slow-speed tankers, and they are being subsidized at the high-speed tanker rate.

Mr. SALTONSTALL. It is my memory that the T–2 tankers had a speed a good deal less than 16 knots. I do not remember whether it was 12 or 14 knots.

Mr. WILLIAMS. Some of them had around that speed. But the point is that we were speaking of 18 knots, and the bill which was passed, providing for subsidies for the construction of 18-knot tankers, was justified on the basis that with the modern-day speed of our fleet, we would need, in the event of war, high-speed tankers. I still agree with that view. We are paying for that type of tanker fleet but we are not getting it. Only one tanker with a speed of 18 knots or better has been provided for. All the others thus far contracted for have been the slow-speed type, yet they were paid the same subsidy or special trade-in allowance approved for 18-knot tankers.

Mr. SALTONSTALL. I will not disagree with the view expressed as to high-speed tankers, because I do not remember that point. But I do remember that the 18-knot feature was to apply to the 20 ships which were to be constructed especially for Navy purposes, and to be leased to the Navy for a period of 10 years. The speed of 18 knots did enter into the picture so far as certain of the tankers were concerned.

I am wondering whether the distinguished Senator from Delaware, who has an excellent memory and who is very factual in his statements, did not become confused as between the two types of tankers, which are completely different.

Mr. WILLIAMS. I may very readily have become confused, but if I did, the officials in the departments downtown became confused, too, because Mr. Nichols, the budget officer of the Maritime Board, prepared a memorandum of the record of contracts and I am quoting from his memorandum. There is a lot of confusion in the maritime department as to what they have done or what they plan to do, so it would be very easy for any of us to get mixed up here.

But I am not mixed up when I say we have been paying for something we did not get. Nor is there any confusion but that the authorization and appropriation for these tankers was obtained on the basis of the need for 18-knot tankers.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield first to the Senator from New Hampshire. Then I shall yield to the Senator from Maryland.

Mr. BRIDGES. I wish to say to the distinguished Senator from Delaware that so far as the Senator from New Hampshire is concerned, I think when Congress appropriates money, the Department should spend the money exactly for the purposes for which it was appropriated. Regardless of the result of the proposal of the Senator from Delaware, I think this colloquy will do some good. If Congress appropriates money to obtain 18-knot tankers, that is what should be obtained. I do not like the idea of departments going behind the back of Congress, after Congress has taken action, and doing something else. On the other hand, I will say that the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] has called my attention to the fact that a subsidy is paid based on the ratio of the cost, so that the subsidy will automatically be less if the cost of the tanker is less, which would be the case with regard to the lower-knot-speed tankers. I agree with the Senator that when Congress appropriates money for a certain purpose, the intent of Congress should be carried out.

Mr. WILLIAMS. The whole program was justified on the basis that we needed high-speed tankers for national defense, and we are not getting them. What is worse, the Department did not tell the Committee on Appropriations it had made any change in the rules.

Furthermore the subsidy in this instance is based, not on the cost of the tanker, but speed. The extra trade-in allowance or subsidy was to be for the extra 2 or 3 knots speed.

Mr. MUNDT. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. MUNDT. I wish the Senator would enlighten me on one point which has disturbed me as a member of the Permanent Subcommittee on Investigations, which about 2 years ago held a long series of hearings involving the disposal of surplus tankers, which not only were sold to former Government employees, who organized tanking companies at a tremendous loss to the Government, but we apparently had so many tankers at that time that we sold them to the Greeks and Venezuelans and people all over the world at very low prices. There have been some scandals in that connection and some indictments in court have been returned. I wish the Senator would give us some assurance that we are not building the same type of tankers which we were selling in return for Greek drachmas and other currency of low value.

Mr. WILLIAMS. There has been some improvement in the tankers being built, but at the same time what are being built today under this subsidized program are tankers which last year witnesses from every agency of the Government dealing with the subject said were obsolete, including the Secretary of Commerce, the Chairman of the Maritime Commission, and the Secretary of the Navy, who testified before the committee last year in justification of the program.

Mr. MUNDT. At least we can be assured, then, that we are not reproducing the type of tanker which we gave away or sold, at a low cost, to anyone who desired to buy a tanker.

Mr. WILLIAMS. Perhaps not, but we are building tankers which were said a year ago to be obsolete. We are subsidizing their construction on the same basis as if they were the modern design. No one here attempts to dispute that fact.

Mr. MAGNUSON. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MAGNUSON. I hope there will be no misunderstanding as a result of the colloquy which has taken place. What the Senator from South Dakota is talking about is that after the recent war we found we had on hand more than 2,000 ships, and Congress passed the Ship Sales Act. At that time we set a fair price on the ships, considering the market at the time Congress passed the bill. The Government recovered almost 42 percent of the cost of the ships which were sold, which was a great deal more than the percentage of recovery in the sale of any other surplus property which we had on our hands at the end of the war. Some persons bought tankers. We were in the market to sell them. World tension in the meantime increased. The supply of tankers became tight. Persons who had purchased them made some money by selling them. They could have lost money just as easily as they made it. At the time the ship sales bill was passed unanimously by Congress, we thought we were getting even more than we could have reasonably expected to get.

Mr. MUNDT. What the Senator has said illustrates the point I made, which was that the ships were built for 100 cents on the dollar, and sold for 42 cents on the dollar.

Mr. MAGNUSON. But after the war we found ourselves with 2,000 surplus ships on our hands. We still have 1,000 ships in mothballs.

Mr. MUNDT. I am trying to get away from the idea of obtaining or purchasing a great amount of material, whether it is hamburgers or anything else.

Mr. MAGNUSON. I remind the Senator that this occurred during the war.

Mr. MUNDT. I understand what the Senator has said. I am trying to find out whether we are building the same type of ships which we sold, or whether they are a different type. I should like to have that information from the tanker expert, the chairman of the committee.

Mr. MAGNUSON. What the Senator from Delaware has said is correct. Witnesses appeared before the committee and said 18-knot tankers would be built. For some reason the Department of the Navy or the Department of Defense decided 16½-knot or 17-knot tankers would be satisfactory. But I remind the Senator that the size of the subsidy is in ratio to the cost of construction of the ships. As it costs less to build 16½- or 17-knot tankers, as against building 18-knot tankers, the subsidy is reduced in ratio to the cost.

Like the Senator from Delaware, I am no expert on the matter, although I have had a liberal education on it. If the Defense Department says that 16½-knot tankers are satisfactory, that is all right with me. The question is whether we want tankers or do not want them.

Mr. WILLIAMS. I point out to the Senator from Washington that the subsidy or special trade-in allowance which was allowed on the 16½-knot tankers was exactly the same as would have been allowed on 18-knot tankers. The computation is made on a depreciated value

basis for the old tanker, and not on the basis of the difference between the cost of the 16½-knot tankers and 18-knot tankers. The subsidy was for the extra speed, which we did not get. When the decision was made by the Defense Department not to insist on the high speed of 18 knots in the new tankers then the subsidy should likewise have been stopped.

I have in my hand a chart which shows the amounts being allowed for vessels traded in for new ones, which I ask unanimous consent to have printed at this point in the RECORD, Mr. President.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Tanker trade-in-and-build program

(A) ACCOMPLISHED CONTRACTS

Ship	Type	Date of delivery from shipbuilder	Construction cost (exclusive of national-defense features)	Cost of national-defense features	Date of title transfer to purchaser	Net sales price, adjusted statutory sales price less allowances	Proposed allowance
Cities Service Co. (7 old vessels as part payment for 7 new 16½-knot tankers):							
Bull Run	T2-SE-A1	July 12, 1943	$2,771,565	$121,000	May 29, 1947	$1,572,619.68	$850,015
Petrolite	[1]	[1]	[1]	[1]	[1]	[1]	943,449
Abiqua	T2-SE-A1	Oct. 31, 1943	3,737,711	50,000	Sept. 21, 1946	1,713,364.23	939,329
Lone Jack	T2-SE-A1	Oct. 31, 1944	2,496,081	180,000	Sept. 26, 1946	1,825,048.25	1,047,208
Paoli	T2-SE-A1	Nov. 11, 1944	2,472,954	180,000	Jan. 14, 1947	1,797,871.70	1,037,823
French Creek	T2	Dec. 20, 1944	2,679,291	180,000	Dec. 20, 1944	1,896,398.00	987,843
Logans Fort	T2-SE-A1	Apr. 11, 1945	2,384,481	180,000	Aug. 22, 1947	1,738,466.44	1,069,458
Total							6,875,125
Texas Co. (2 old vessels as part payment for 1 new 18½-knot tanker):							
Florida	T2	Oct. 13, 1937	1,969,016	[1]	[1]	[1]	420,961
Rhode Island	T2	Dec 23, 1937	1,969,016	[1]	[1]	[1]	429,596
Total							850,557

[1] Not available.

(B) AGREEMENT IN ADVANCED STAGES OF NEGOTIATION

Esso Shipping Co. (5 vessels for 2):							
Esso Cumberland	T2-SE-A1	May 27, 1944	$2,431,750	$180,000	Nov. 20, 1946	$1,754,449.44	$1,078,777
Esso Lynchburg (Chalmette)	T2-SE-A1	June 19, 1944	2,832,885	80,000	Jan. 14, 1948	1,595,011.04	1,015,714
Esso Roanoke	T2	July 14, 1944	2,621,214	180,000	July 14, 1944	1,839,119.00	991,488
Esso Memphis	T2	June 28, 1944	2,656,967	180,000	June 28, 1944	1,834,677.00	973,371
Esso Parkersburg (Fort Cornwallis)	T2-SE-A1	Apr. 27, 1944	2,420,257	180,000	Oct. 16, 1946	1,755,837.48	1,066,825
Applicants estimated value as at Dec. 31, 1954							5,126,175
Less estimated depreciation to date of acceptance							−126,175
Estimated trade in							5,000,000
National defense features							2,000,000
Total							7,000,000

Mr. WILLIAMS. Mr. President, the chart shows the names of the vessels involved, the dates they were constructed, the total cost to the United States Government, the price at which they were sold to the companies, and the prices they brought as trade-ins, and again I point out the allowance for the trade-ins on the slow-speed tankers was just as high as for the faster speed.

Mr. MAGNUSON. The Senator from Delaware is correct. I suspect the trade-in allowance was pretty much a uniform trade-in allowance for certain types of tankers. The only reason for the program was that we would get some new, modern tankers. I am sure the Senator from Delaware, the Senator from Massachusetts, and the Senator from Maryland do not dispute that, for some reason, the Defense Department decided that 16½-knot tankers were just as satisfactory as 18-knot tankers; but the recapture transaction is subject to the total cost, less the trade-in.

Mr. WILLIAMS. But the chairman of the committee will agree with me on this point, will he not? The Secretary of Commerce, Mr. Weeks, testified before the committee that the only justification for subsidy in this instance was the fact that the tankers were going to be high-speed ones.

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS. The tankers we received were not made high speed, and the Department still paid the subsidy.

Mr. MAGNUSON. They paid in ratio to the total cost.

Mr. WILLIAMS. They still paid the subsidy; did they not?

Mr. MAGNUSON. Yes.

Mr. WILLIAMS. That is the point I am trying to bring out.

Mr. MAGNUSON. Let me ask the Senator to bring out another fact, however.

Mr. WILLIAMS. Mr. President, I should like to have this $23 million stricken from the bill. I should like to see Secretary Weeks and the Chairman of the Maritime Commission asked to go before the Appropriations Committee and, if they need only 16½-knot tankers, tell the committee so; and unless they have changed their provision then no subsidy is needed. I am not in favor of having the Federal Government spend $23 million as a subsidy for the construction of tankers on the understanding that they will have a speed of 18 knots, and then have these subsidies paid to companies building the same slow speed tankers. It is a waste of the taxpayers' money and should be stopped.

Mr. MAGNUSON. I think the Senator from Delaware is absolutely correct in his remarks about the chronological details. But in this case we are dealing with appropriations for the fiscal year 1956; and what will happen in 1956, I do not know. If the Defense Department says that, for this purpose, 17-knot tankers are just as good as 18-knot or 18½-knot or 18.3-knot tankers—as specified under one of the commitments—I suppose we shall have to accept that opinion. However, the tanker program is but one part of the overall program.

Mr. WILLIAMS. I wish to say to the Senator from Washington that if the Defense Department says it needs 17-knot tankers, I will support such a program. I do not profess to be an expert as to the required speed of tankers; I know nothing about the matter. But if the Department of Defense says 17 knots is sufficient, certainly we should not pay for tankers having a speed of 18 knots.

I cannot predict what will be done in the future; but I can point out that in the past the money was used—and it was done without objection, so far as I recall—to pay for tankers which were supposed to have a speed of 18 knots, but which did not have that speed. The money has been spent and we still have an obsolete tanker fleet. I think representatives of the Department should come before the Appropriations Committee and the Committee on Interstate and Foreign Commerce and should state what they wish to do in connection with this program. I venture to say that the Senator from Washington was never told that the speed requirement would be lowered; and the representatives of the Department never said that, "We do not need as much money because we are not going to provide for the national-defense features which have been authorized."

Instead, the history of this matter shows that in the case of 4 of the tankers for which contracts were awarded—3 for Cities Service and 1 for Texaco—the same subsidy was paid, yet only 1 of the tankers had the required speed of 18 knots.

Furthermore, the tentative plans for the Gulf Oil Corp. embrace the construction of a 17-knot tanker, which, again, will have a speed of 1 knot lower than the speed we were told would be needed. On the other hand, there has been no corresponding reduction in the formula for the subsidy.

Mr. MAGNUSON. I think the bill would have been passed in any case, regardless of whether it provided for 17-knot tankers or for 18-knot tankers.

Mr. WILLIAMS. Yes, the bill would have been passed but the subsidy would have been less.

Mr. Weeks testified that the subsidy is not needed if the tankers to be constructed are to have speeds of 16½ knots. He said the only justification—and he used the word "only" in that connection—for a program of this kind is the high-speed tankers we are going to ask to have constructed.

This amendment of the committee should be defeated until we know what we are paying for. Not one member of the committee knows today.

Mr. SALTONSTALL. Mr. President, will the Senator from Delaware yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. The Senator from Delaware used the word "only." It is not my understanding that speed is the only thing necessary for defense purposes, in connection with the construction of these vessels. I may be in error as to some details; but I know I am correct when I say that in the case of some of the tankers a different layout is called for, so that different types of oil, and so forth, can be carried.

Mr. MAGNUSON. Yes. Furthermore, at the present time, in view of the speed of the new type submarines, including submarines driven by atomic energy, the speed of tankers is not so important as it formerly was.

Mr. WILLIAMS. Mr. President, let me say that the Senator from Massachusetts is correct in what he has said; there are certain other national-defense features in the case of tankers, and that is true both in regards to the slow speed tanker as well as the high speed, but the cost of that part of the national defense feature is relatively low as compared to the extra cost arising from the speed factor.

In 1944, such subsidy averaged $180,000 per tanker. I understand that the subsidy now amounts to a little more, due to the increased cost of construction. But I am referring here today to the extra subsidy, under the provisions of this bill, for the construction of tankers of high speed. As Mr. Weeks pointed out, the only justification—and he definitely used the word "only" in that connection—for paying an additional subsidy in connection with the construction of these tankers is to obtain a high-speed tanker fleet. I would still back a program for a tanker fleet with a speed of 18 knots or 20 knots; but I am not willing to have the Congress provide funds for the construction of an 18-knot tanker fleet, when the tankers which have been constructed have a speed of only 16 knots.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does not the Senator from Delaware admit that all the ships built under the appropriation carried in this bill will have a speed of 18 knots or more?

Mr. WILLIAMS. That could be the case or it could not, we do not know.

Mr. BUTLER. But the ships are contracted for, are they not?

Mr. WILLIAMS. No, the Senator from Maryland is mistaken. The Senator from Massachusetts just pointed out the situation in that respect.

Mr. BUTLER. Did not the Senator from Massachusetts say that one of the tankers had a speed of 18.3 knots?

Mr. WILLIAMS. Yes; but the Gulf Oil Corp. is also in the process of negotiating for the construction of a tanker to have a speed of only 17 knots.

Mr. BUTLER. I understand that the negotiations have been closed, and that the Department of Commerce has refused to accept any tanker or to agree to the construction of any tanker with a speed of only 17 knots.

Mr. WILLIAMS. My understanding is the same as to the last 48 hours, the Department of Commerce——

Mr. BUTLER. But does the Senator wish to have the appropriation decreased on account of the agency's past sins?

Mr. WILLIAMS. It has been only in the last 48 hours, so far as I know, that the Department of Commerce has decided that it would reject proposals to build tankers of 17 knot speed; and I understand that the Department reached that decision after it was known that this item of the bill would be opposed. Previously the Maritime Administration was seriously considering the proposal to accept 17-knot tankers. But the House committee objected, first; and now the Department of Commerce says it will not accept 17-knot tankers. How do we know that tomorrow they will not change their minds again unless the law is changed? In my opinion representatives of the Department should be called before the committee and should explain what they are doing in connection with this program.

I will agree to vote for the necessary appropriation, if it is properly justified, for the construction of tankers having a speed of 18 knots, 20 knots, or whatever other speed may be needed, but I want the money spent accordingly. However, after Congress provides the necessary funds for the construction of high-speed tankers, I do not want the money to be spent at the same ratio, but for the construction of low-speed tankers.

Three out of four tankers which have been constructed are now obsolete, according to modern standards. That was testified to last year by every witness who appeared before the committee. It is a complete waste of the taxpayers' money.

Mr. HOLLAND. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I call attention to the compilation appearing at the top of page 165. It covers the item to which the Senator from Delaware has been referring, namely, $23 million, of which the House voted to strike out half.

Only a small portion of the $23 million involves national-defense features—$1,500,000 in the case of three ships. All the rest is for the purchase of 20 old ships in exchange for 10 new ships. One million five hundred thousand dollars is to be used for the cost of laying up the old ships, as the Senator from Delaware knows.

So a very small item is involved in this case. I confess that I do not like any better than the Senator from Delaware does some departures which have been made in times past, in the beginning of the program. But because of that I am not willing to tie up what I believe to be a very important program.

The Senator from Delaware is really talking about half of an item of $1,500,000, or $750,000, out of a total of $38,100,000 for construction.

It seems to me that if we turn down the requests of both the Maritime Board and the National Security Council, for the National Security Council has backed the request of the Maritime Board, and also the request of the Navy, for three prototype ships, we shall be committing a very great error.

If the Senator from Delaware is willing, I should like to have this item agreed to, subject to the understanding I shall now state. First, let me say that of course I will be one of the conferees on the part of the Senate. In the conference I will do my utmost to have provision made for a watch-dog committee, to consist of members of the Senate Appropriations Committee and members of the House Appropriations Committee, to see to it that the program is carried out in accordance with the understanding of the Senate, because I thoroughly agree that, as usual in the case of the matters the Senator from Delaware discusses, there is much merit in the position he takes. I do not wish to have the point he has raised ignored. I am perfectly willing to take the position I have just stated.

I see the Senator from New Hampshire [Mr. BRIDGES]—who certainly will be a member of the conference committee—nodding his head; and of course the Senator from Massachusetts [Mr. SALTONSTALL] also is a member of the Appropriations Committee. So I am sure there will be no difficulty in obtaining, in the conference, agreement on a provision which will mean that the program will be followed much more closely than has heretofore been the case.

So I hope that the Senator from Delaware, in making this effort on his part, will not actually prevent the making of an appropriation of $38,100,000 for the construction of vessels which the

Security Council has told us are important as a part of our Nation's preparations for defense.

Mr. WILLIAMS. Mr. President, the Senator from Florida is not correct in this respect. The $23 million item we are talking about now has nothing to do with the prototype ship, the special 20-knot high-speed tanker. We are not discussing that item at all. We are discussing the program calling for 10 new 18-knot tankers. Likewise the $1½ million for special defense features for five tankers is not what we are discussing. As the Senator from Massachusetts [Mr. SALTONSTALL] has pointed out, those are national defense features, which are included in both slow-speed and high-speed tankers, and will remain in the program regardless.

We are talking about the $20 million trade-in feature in connection with these tankers. The actual subsidy on the tankers is paid in connection with the trade-in allowance. Special allowances are made if the tankers are traded in and high-speed tankers are built. The operators have been getting the allowances, but they have been building slow-speed tankers. The amount involved is $20 million and not $1,500,000.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. Following up what the Senator from Florida has said, I will not be a member of the conference committee, but it seems to me that between now and the time of the conference, the conferees could get a letter from the Department of Defense and a letter from the Department of Commerce, so as to justify the position of the Senate. The House has stricken out a great deal of this program, and the Senate must justify its action.

There is much merit in what the Senator from Delaware has said. If we can get the letters to which I have referred, we can go forward. As the Senator knows, this is a very important program.

Mr. WILLIAMS. The Senate will be in session for another 30 days. I am willing to finance the program, but I want the letters in advance. I do not want to put up $23 million for an agency which has not carried out its promises in the past. Personally I am not willing to go along with such a proposal.

In resisting this amendment, I emphasize that it has nothing to do with the prototype 20-knot tanker, which can still be built with the funds left.

There is another item, in addition to the $23-million item, which will be embraced in the elimination if we can defeat the committee amendment. I refer to the item of $11,300,000 for the conversion of what are apparently represented as two obsolete cargo ships into passenger ships. I should like to show the Senate how obsolete the cargo ships are, with respect to which it is proposed to put up $11,300,000 for reconversion.

These two ships were completed and came from the shipyards new, about 2 years ago. The first one was completed new on March 26, 1953. The name of the ship is the *Free State Mariner*. It was built at the Bethlehem Steel Co. plant at Sparrows Point, Baltimore. She cost the United States Government $8,632,263. This ship was sold on May 31, 1955, to the Oceanic Steamship Co. for $4,820,446, representing a loss of about half the cost. That is behind us. That is all gone. We financed that ship and took a mortgage for about 75 percent of the sales price. Now after having sold the ship for $4,820,446, an appropriation of $5,650,000 is being asked to give to the Oceanic Steamship Co. to reconvert this same ship which it bought only 3 weeks ago. The proposal now is that it take this cargo ship and convert it into a passenger ship. A 2-year-old, $9-million ship was sold for $4,820,446. Now it is proposed to give the buyer, the Oceanic Steamship Co., over $5½ million to cover reconversion costs.

The second ship is the *Pine Tree Mariner*, which was built by the Bethlehem Steel Co. in its Quincy, Mass., yard. The cost was $9,165,864. The ship was completed new on April 3, 1953. Tentative arrangements have been made to sell this ship, if this bill goes through, to the Oceanic Steamship Co. for $4,900,200. She cost us $9,165,864. We are selling her for $4,900,200. If this bill goes through, we are going to give the company which buys her $5,650,000 supposedly to reconvert the ship into a passenger ship.

Yes, it is fantastic; 2 ships about 2 years old which cost over $17½ million being sold for between nine and one-half and ten million dollars and now 30 days later we are being asked to give the buyers $11,300,000 cash from the Treasury to spend toward improving these same ships and making them suitable for passenger service. As if that is not enough after they are put into service the proposal is that the taxpayers subsidize their operations for the next 10 years. If anyone can make any sense out of such a program, I say, vote for the committee amendment. I think it should be defeated.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAGNUSON. I hope the facts are not as stated by the Senator.

Mr. WILLIAMS. I hope they are not, either; but I am afraid they are right. I obtained these figures from the Department. I am perfectly willing to have the Senator from Washington suggest any corrections.

Mr. MAGNUSON. I know a little about the so-called Mariner program.

Mr. WILLIAMS. I am not talking about the overall Mariner program. We are not dealing with that. We are talking about 2 specific ships and $11,300,000. $11,300,000.

Mr. MAGNUSON. These are ships which were built under the Mariner program.

Mr. WILLIAMS. We are dealing with an item in an appropriation bill which calls for $11,300,000 for the conversion of two ships by the Oceanic Steamship Co. One is the *Free State Mariner*, and the other is the *Pine Tree Mariner*. Let us stay on the subject of those two ships. The amount involved in the conversion of those two ships is $11,300,000 and the same ships were sold for less than $10 million about 30 days ago.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator realize that if we do not convert the 2 ships on the basis he has described, but, instead, build 2 new ships of equal kind and character, the Government will have to spend approximately $17 million in subsidies, and that these ships would rust away at anchor?

Mr. WILLIAMS. If these ships are to rust away at anchor, that illustrates a further confusion in the maritime problem. About 2 years ago the Department came to Congress asking for a multi-million-shipbuilding program, on the basis that we needed a modern cargo ship program. These are some of those modern ships. It was in 1952 that we enacted the provision for that program.

Mr. MAGNUSON. Did the Senator say that the shipbuilding program involved an appropriation of $350 million?

Mr. WILLIAMS. I am not sure of the exact amount carried in the bill which passed the Senate. I think it was near that figure. At any rate, the program was passed early in 1952. These are new ships. If Senators can make any sense out of taking cargo ships to make passenger ships and then turning passenger ships into cargo ships all at the expense of the American taxpayers, then vote for the committee amendment. Personally, I do not understand it and will not support such actions.

Mr. BUTLER. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator realize that these ships were built for a special purpose, in an imminent emergency? They were built practically as naval auxiliaries. Everyone knew that fact. They were not ordinary cargo ships. They were practically naval auxiliaries. We had to take a calculated risk that they might be needed in the event of an emergency.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, lines 15 and 16.

Mr. MUNDT. Mr. President, I shall not detain the Senate more than a minute or two. I shall not discuss controversial matters. Perhaps I can finish in less time. The majority leader is smiling.

I cannot resist the temptation to call the attention of the Senate, which, along with the rest of America, confronts a serious, critical situation in agriculture, to the fact that we have before us an analogous situation which should give cause to ponder to those who have been resisting the effort to provide adequate support prices for farmers.

The distinguished Senator from Washington [Mr. MAGNUSON] has said that we accumulated too many tankers during the war. We sold them for 42 percent of what they cost us. We accumulated too much wheat during the war. If we could have got rid of that wheat on a 42-percent basis our agricultural problem would have been easily solved.

We are about to vote for a subsidy to provide new tankers because we need them. But when it comes to the consideration of the farm problem, we say

that we must not have any price supports. At least, we have some hesitancy about providing them.

It seems to me that the two cases are parallel. They are Siamese twins, in effect. The unhappy thing about Siamese twins is that when they are operated upon to separate them, one of them usually dies. In this case it always seems that it is the agriculture Siamese twin which dies.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. There seems to be some misunderstanding. If a Member of the Senate is opposed to including the items which I have discussed, his vote would be "nay," as I understand, and if he wanted to include the items in the amendment, his vote would be "yea." Is that correct?

The PRESIDING OFFICER. The Senate is now voting on the committee amendment at page 10, lines 15 and 16, to strike out "$64,700,000" and insert in lieu thereof "$102,800,000."

The legislative clerk resumed and concluded the call of the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT], are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

On this vote, the senior Senator from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

I also announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "Yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Maryland [Mr. BEALL] and the Senator from New York [Mr. IVES] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funeral of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend International Labor Organization meeting in Geneva, Switzerland.

The Senator from Iowa [Mr. MARTIN] is detained on official business.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

If present and voting, the Senator from Maryland [Mr. BEALL] and the Senator from Nebraska [Mr. CURTIS] would each vote "yea."

On this vote, the Senator from New York [Mr. IVES] is paired with the Senator from Iowa [Mr. MARTIN]. If present and voting, the Senator from New York would vote "yea" and the Senator from Iowa would vote "nay."

The result was announced—yeas 53, nays 20, as follows:

YEAS—53

Barkley	Hruska	Monroney
Bennett	Humphrey	Neely
Bible	Jackson	Neuberger
Bridges	Johnson, Tex.	O'Mahoney
Bush	Johnston, S. C.	Pastore
Butler	Kilgore	Payne
Case, N. J.	Knowland	Purtell
Chavez	Kuchel	Robertson
Daniel	Langer	Saltonstall
Duff	Lehman	Smathers
Ellender	Long	Smith, Maine
Ervin	Magnuson	Smith, N. J.
Gore	Malone	Stennis
Green	Mansfield	Symington
Hayden	Martin, Pa.	Thye
Hennings	McClellan	Watkins
Hill	McNamara	Wiley
Holland	Millikin	

NAYS—20

Aiken	Dworshak	Schoeppel
Barrett	Frear	Sparkman
Bender	Jenner	Thurmond
Bricker	Kerr	Welker
Carlson	McCarthy	Williams
Case, S. Dak.	Mundt	Young
Douglas	Russell	

NOT VOTING—23

Allott	Dirksen	Kefauver
Anderson	Eastland	Kennedy
Beall	Flanders	Martin, Iowa
Byrd	Fulbright	Morse
Capehart	George	Murray
Clements	Goldwater	Potter
Cotton	Hickenlooper	Scott
Curtis	Ives	

So the committee amendment on page 10, lines 15 and 16, was agreed to.

Mr. BRIDGES. Mr. President, I wish to say for the benefit of the Senator from Delaware [Mr. WILLIAMS], who, I think, performed a good service in bringing out this matter, that in supporting the committee amendment many Senators, certainly, with respect to one phase of it, supported it because of contracts having been made. But I think, certainly, when the Maritime Commission is given money, as it was, for a definite objective, the Commission, or Mr. Rothschild as Chairman, or anyone else, has no right to go around the intent of Congress as to the purpose for which the money was appropriated.

Mr. WILLIAMS. I thank the Senator from New Hampshire. I hope the discussion which we have had will help, and I am sure the committee will try to correct these conditions. But, on the other hand, I wish to point out that the contracts for which this money is authorized have not all been made and I hope that they will give this problem their immediate attention. I received a letter from the Acting Chairman of the Maritime Administration in which he said further contracts would be made if we authorized the money.

I point out again that we are subsidizing the construction of 18-knot tankers when, in reality, we are getting nothing but the same slow-speed tankers. We have not been getting what we have been paying for.

I think there should be no misunderstanding, and I certainly hope something can be done in regard to the correction. I appreciate the assurances of the Senator from New Hampshire.

The other phase of the operation, which I hope the committee will examine is that where 2 years ago two ships were completed at an average cost of $9 million apiece, and which, in the past few weeks, have been sold for an average of $4¾ million apiece, then in this appropriation bill just approved by the Senate vote the buyer will get $11,300,000 as a subsidy toward the reconversion costs of these same two ships.

This $11,300,000 subsidy which the Senate has just voted to give to this company toward their reconversion costs represents about $1½ million more than they paid us for the ships only 30 days ago.

It is even more complicated than that. The Government holds a mortgage for about 75 percent of the original purchase agreement.

The PRESIDING OFFICER. The clerk will state the committee amendment on page 9, line 20.

The amendment was, under the subhead "Maritime Activities," on page 9, line 20, after the word "For", to insert "construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker and two prototype cargo ships; for."

Mr. HOLLAND. Mr. President, I think I correctly understood the Senator from Delaware to say that necessarily the amendment which we have

voted upon would carry with it the adoption of the amendment which is now before us.

Mr. WILLIAMS. I think that is correct. The previous action of the Senate makes the adoption of this automatic.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was on page 11, line 7, after the word "States", to strike out "Provided further, That no funds contained in this act may be used to commence construction, reconstruction, conversion, reconditioning or betterment of any vessel until the total Federal funds required to complete such work have been appropriated."

The amendment was agreed to.

The next amendment was, on page 11, line 17, to strike out "$90,000,000" and insert "$115,000,000."

Mr. WILLIAMS. Mr. President, I will take only a few minutes on this particular amendment. This is a proposal to increase the amount of operational subsidies from $90 million to $115 million. Last year, in the regular appropriation bill, we appropriated $65 million. It is a question of how far we wish to go in paying a subsidy for the operation of ships of which we have already subsidized their construction. I shall ask only for a voice vote, to save the time of the Senate, but, at the same time, I think the amendment should be rejected. I again point out that a part of this subsidy will go to subsidize the operation of the same two ships the sale of which I mentioned a short while ago. Unquestionably this whole question of operational subsidies has been carried too far and here is a chance to cut them back. These are not firm contracts and we can properly make the cut.

Mr. HOLLAND. First, the committee restored the budget amount; second, we believe that amount will have to be paid this coming year; third, if it is not paid, the United States will suffer, and no one else.

There is a recapture clause, under which we have already reclaimed approximately $95,916,000 and we are reclaiming every month amounts from the successful carriers. If we make it necessary for them to borrow in order to pay interest, we will simply defeat the recovery provision.

Mr. WILLIAMS. The recapture clause is not quite that handy. The recapture clause only works wherein the Government can reclaim 50 percent of the profits after the company has earned 10 percent on its investment. Therefore, this recapture clause does not take care of the situation any more than the 52 percent corporation tax rate would eliminate the need for a renegotiation authority. Many different lines are now coming in to be subsidized. A few years ago they were not because world shipping rates were high and they made a lot of money. When, at the expense of the American taxpayers, we so generously gave wheat to India a few years ago the freight rates from the United States to India had been averaging from $10 to $12.50 a ton. After Congress authorized the multimillion dollar gift to India, the freight rates on grain to India were raised to $22 or $25 a ton. Now they are down again to $12 a ton.

Those are the operators who are asking to be subsidized, because now there is not quite as much shortage in shipping space, thereby tending to drive freight rates down.

The same rapid increase in freight rates for oceanic shipping took place after the Marshall plan was approved and after the Korean war broke out. The companies jumped their rates from 200 to 300 percent, and some of them even leased their ships to Russian satellites in a greedy effort to get all the traffic could bear.

Now with world conditions improving and rates becoming more competitive they want the American taxpayer to take over and guarantee them a profit. It is time to call a halt and the committee amendment providing an extra $25 million over the House bill should be defeated.

My own opinion is that those shipping lines which excessively raised their rates on the United States Government when we needed ships should be refused any subsidy now.

I think we are making a mistake to put this extra burden on the taxpayers' back. The same operators will raise their rates again, when it is profitable to do so.

I hope this amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. [Putting the question.]

The ayes appear to have it.

Mr. WILLIAMS. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment which was passed over.

The next amendment was, on page 12, line 10, to strike out "eighteen hundred and forty-seven" and insert in lieu thereof "two thousand."

The amendment was agreed to.

The next amendment was, on page 12, beginning in line 13, after the word "year", to strike out "of which not less than one hundred and twelve shall be for operators who have not held contracts prior to July 1, 1955."

The amendment was agreed to.

The next amendment was, on page 12, line 19, after the word "Administration," to strike out "$14,000,000" and insert "$14,700,000."

The amendment was agreed to.

The next amendment was, on page 13, line 2, after the word "warehouse", to strike out "$1,085,000" and insert "$1,345,000."

The amendment was agreed to.

The next amendment was, on page 13, line 3, after the word "expenses", to strike out "$6,960,000" and insert "$7,400,000."

The amendment was agreed to.

The next amendment was, at the top of page 17, to insert:

Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

Mr. RUSSELL. Mr. President, it seems to me that this amendment is legislation. I should like to have a reason given for the amendment.

Mr. HOLLAND. Notice has been filed with respect to this particular amendment. If the Senator from Georgia would not mind passing over this amendment, so that we may dispose of other amendments, I shall be glad to come back to the amendment and give an explanation.

Mr. RUSSELL. That is agreeable to me.

Mr. HOLLAND. Mr. President, may the Senate proceed to other amendments?

The PRESIDING OFFICER. Without objection, the amendment at the top of page 17 will be temporarily passed over.

The next committee amendment will be stated.

The next amendment was, on page 26, after line 2, to insert a new section, as follows:

SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS–17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

SEC. 206. Notwithstanding the provisions of any other law the officer of the Army now serving as Governor of the Canal Zone shall, effective July 1, 1955, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and while so serving shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, except the one on page 17, which was passed over.

Mr. HOLLAND. Mr. President, if the Senate will take up at this time an amendment requested by the Department of Commerce, which I had printed in the RECORD yesterday for the information of Senators I have a letter from the Secretary of Commerce, making clear that an item of $375,000 had been omitted. This item is required for administrative and warehouse expenses

during the fiscal year 1956, in the event the ship construction projects shall be allowed. The amendment has been checked, and it is very clear that it was included in the justification but was omitted from the bill by mistake. The committee thinks it should be added.

The place requested for the inclusion of the amendment is on page 10, line 19, and the amendment is to strike out "$900,000" and insert in lieu thereof "$1,275,000."

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. As I understand, we are not dealing at this time with the amendment on page 17, which was passed over.

The PRESIDING OFFICER. No, that amendment is not now being considered. The Senate is considering a new amendment which has been suggested by the Senator from Florida.

Mr. HOLLAND. It is an amendment to provide for the expenses of administration necessarily required if the ship construction amendments are adopted.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 10, line 19, it is proposed to strike out "$900,000" and insert in lieu thereof "$1,275,000."

The amendment was agreed to.

Mr. GREEN. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Rhode Island.

The CHIEF CLERK. On page 25, line 2, it is proposed to strike out "$5,000,000" and insert in lieu thereof "$7,500,000."

Mr. HOLLAND. Is my understanding correct that the Senator from Rhode Island has reduced the amount provided in his original amendment by $2,500,000?

Mr. GREEN. Earlier I offered an amendment, but I do not intend to call it up. Instead, I have offered a new amendment providing for one-half the amount included in the first amendment I offered. The new amendment has the same sponsors.

Mr. HOLLAND. The committee felt, and still feels, that it has dealt rather generously with the subject of hurricane relief, and the like. At the same time, we do not wish to withhold anything which can be done within reason. We are willing to take the amendment to conference, in the hope that an agreement may be reached, and that the funds can be used effectively in the fiscal year 1956.

Mr. THURMOND. Mr. President, as a cosponsor of the Green amendment and a representative of a State that has lost many lives and millions of dollars in damages due to hurricanes and tornadoes, I want to urge the Senate to approve this increase in funds to provide our country with the most adequate protection possible against these weather hazards.

On October 15, 1954, thousands of residents of South Carolina sustained millions of dollars in damages as a result of Hurricane Hazel. This hurricane unexpectedly turned inland in the vicinity of Myrtle Beach, S. C.—one of the finest beach resorts in the world—and virtually ripped up that beach, many others in the area, and then turned further inland to cause still more damage to our farm crops and other property.

One function of the Weather Bureau stations along our coasts is to issue warnings of tornadoes and hurricanes in advance so our people can at least prepare for the worst. Even with the present limited facilities, our Weather Bureau has saved untold lives and damage. According to expert testimony, long-range radar equipment is most useful in tracking down these hazards.

The Green amendment would provide an additional appropriation of $2,500,000 to equip 55 of our stations with this modern equipment. This is considerably less than the number experts say we need. I believe we can well afford this additional outlay in expenditures which could save many lives and property losses.

Mr. President, I yield to no one in my earnestness to reduce unnecessary government expenditures, but anytime we can spend a few million dollars to save many million dollars—not to mention the safety of our population—then I believe that is sound Government economy.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Tornadoes and Warnings," published in the New York Times of Thursday, June 16, 1955.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TORNADOES AND WARNINGS

While those of us who live on the eastern seaboard have been forced to become acutely hurricane-conscious during the past few years, we tend to forget the weather scourge of the inland areas—tornadoes. Figures compiled by the Weather Bureau and released this week should go far to restore our perspective. From 1916 to 1955 about 7,000 tornadoes killed about 9,000 people and caused property damage of close to $800 millions—a yearly average of 225 deaths and $20 millions of damage. Nor is the East entirely immune, as residents of Worcester, Mass., well know. On June 9, 1953, a twister tore across that city, leaving 90 dead and $60 millions of damage to property.

As with hurricanes, the Weather Bureau issues warnings of tornadoes in advance which, even with the present far too limited facilities, have saved untold lives and damage. Most useful in tracking them is long-range radar. A group of nine Senators, led by Mr. GREEN, of Rhode Island, is working to increase by $5 millions the Weather Bureau appropriation now before the Senate. This would cover a 5-year program to provide for 55 new storm-detection radar stations—25 less than expert testimony showed are needed. The tornado record, as well as that of hurricanes, dramatically underlines the urgency of this increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN], for himself and other Senators.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, if the Senate will return to the one committee amendment remaining, I think I will be able to explain it briefly.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the top of page 17, the committee proposes to insert the following:

Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

Mr. WILLIAMS. Mr. President, I think the amendment on page 17, line 1, is legislation on an appropriation bill. I make a point of order against it.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware withhold his point of order at least to allow the Senator from Florida to make an explanation as to why the Senate Committee on Approporiations thought it was advisable to submit the amendment to the Senate?

Of course, notice was given under the rule that a motion would be made to suspend the rule. But I think it would be for the benefit of the Senate, while a large number of Senators are present, to permit the Senator from Florida to make a brief explanation of the amendment. After that, the Senator's point of order could be raised, and a motion could be made to suspend the rule.

The PRESIDING OFFICER. The point of order is well taken.

Mr. HOLLAND. The Senator from Florida has given the requisite notice on this amendment. I move that the rule be suspended, and that the amendment be considered notwithstanding the rule.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. WILLIAMS. Mr. President, an explanation of the amendment would be proper, would it not?

The PRESIDING OFFICER. Yes.

Mr. HOLLAND. I shall be glad to make an explanation. I thought I would be given the courtesy of doing so before the point of order was raised.

Mr. WILLIAMS. I was willing to withdraw it, but the Chair had ruled. I think we should have an explanation of the item.

The PRESIDING OFFICER. The Senator from Florida may make his explanation.

Mr. HOLLAND. The full explanation will appear on pages 185 and 186 of the committee hearings, if anyone wants to read it in detail. In brief, the explanation is that the Bureau of the Budget

requested new words in the law to make the revolving fund now set up and operated by law applicable to ships of the United States which are recovered under foreclosure—that is ships which have been sold subject to mortgage, and the mortgage later foreclosed—so that the ships may come back to the Federal Government.

The revolving-fund provision as now written does not allow the funds to be used as to recaptured ships. The new wording was requested by the Bureau of the Budget, so far as I know, without opposition. It is designed to let the recaptured ships take their place in the reserve fleet, where advantage of the revolving fund may be taken.

Mr. WILLIAMS. What concerns me is the language:

Provided, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

It seems to me that is directing the funds of the Government from the charters into what can be a perpetual revolving fund, and was not explained by the Senator from Florida.

Mr. HOLLAND. All I can say with respect to that is that some of these ships are chartered from time to time, just as reserve-fleet ships are chartered. The Senator has referred to lines 15, 16, and 17, on page 17 of the bill. It was to make it clear that the money received by the Government from the charter of these recaptured ships was applicable to the revolving fund, just as if the ships were out of the original reserve fleet.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida to suspend the rule.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 17, beginning at line 1.

The amendment was agreed to.

The next amendment was on page 17, after line 17, to insert:

Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed $14,000 shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947).

The amendment was agreed to.

REPLY TO CRITICISM OF SENATOR JOHNSTON OF SOUTH CAROLINA

Mr. LANGER. Mr. President, most Senators are familiar with attempts of private individuals to scare or intimidate Senators. Sometimes that is done by individuals, and other times by organizations clothed under high-sounding names.

Today I wish to bring to the attention of the Senate such an instance by a commission which, by innuendo, insinuation, and almost by direct accusation, is an attack on the distinguished senior Senator from South Carolina, Senator OLIN D. JOHNSTON, and myself.

As far as I am personally concerned I have, during my years of holding public office, gotten so used to being called ugly names and charged with perhaps uglier crimes, that it is like pouring water on a duck's back; but I am very much concerned with the attack on one of the most distinguished Members of this body, Senator JOHNSTON of South Carolina, whose outstanding record in behalf of the poor, the oppressed, the underprivileged, the humble, and the moneyless, has won for him the high esteem and warmest admiration, I believe, of practically every Senator in this body.

The record of Senator JOHNSTON as a friend of the underdog needs no elaboration from me. It is his hundreds of acts as a public official of South Carolina, including his years as governor of that State, and his record for the blind, the crippled, the aged, and the shell-shocked veterans, which will stand as a monument to him long after he shall have passed into the Great Beyond.

This latest attack on Senator JOHNSTON, by the so-called Kansas City Crime Commission—a copy of which attack was mailed to every one of the Senators and to the 435 Members of the House of Representatives, in my opinion, was inspired by those who would seek to destroy the usefulness of this distinguished man in this body.

It is an attack cloaked in deceit, and more insidious than if a thug had sneaked up on him in the dead of the night and stabbed him in the back. The attack is more reprehensible because it is an obvious effort to deter every Senator upon this floor from doing his duty as a Senator—an attack to deter a fearless Senator from living up to his oath of office.

This attack on the Senator from South Carolina [Mr. JOHNSTON] is one of the most horrible examples of attempted political assassination that I have seen during the 15 years that I have been a Member of this body, and it is to lay bare this despicable attempt to wreck a good man that prompts me to speak to my colleagues, and particularly to the people of South Carolina, and indirectly to the people of North Dakota. The terrible cunningness of the conspiracy to wreck a career of which any one of us might well be proud.

Senator JOHNSTON and I are members of the Judiciary Committee of the United States Senate. It is a committee that passes on roughly 54 percent of all the bills introduced in the Congress. It is a committee to which any citizen, no matter how humble, or regardless of race, color, or creed, is entitled to petition, under the Constitution of this country.

We have in this committee various subcommittees. One of these is the standing subcommittee on immigration. During the course of the year, some thousands of private immigration bills are introduced. The whole Judiciary Committee, acting through the Subcommittee on Immigration, which, during the years in which I was chairman thereof, passed upon thousands of private bills dealing with immigration and deportation.

In the course of his duty, there was presented to Senator JOHNSTON, the case of Nicolo Impestato. Due to the fact that I had been chairman of this committee, Senator JOHNSTON brought this case to my attention, with the result that a private bill was introduced to stop the deportation of this man.

I have never met Mr. Nicolo Impestato, nor his lawyer, nor any friend of his, and no one else has ever talked to me about this case except Senator JOHNSTON. Senator JOHNSTON stated to me at that time that he had not met him, but that the case had been brought to his attention by the assistant United States attorney who prosecuted Mr. Impestato.

Now, as every Senator upon this floor knows, the Judiciary Committees of the House and Senate have made provision whereby any attempt to stop deportation of any individual is thoroughly and effectively screened.

When a bill is introduced to stop deportation, the bill is introduced in either the House of Representatives or in the Senate, and there it is referred by the Presiding Officer, generally upon the advice of the Parliamentarian, to the Judiciary Committee. The chairman of the Judiciary Committee, through his staff, then refers it to the appropriate subcommittee; and all private immigration bills are referred to the Subcommittee on Immigration of the Judiciary Committee.

This subcommittee, upon the application of any person, gives due notice to the Immigration Department, and to all others interested in a public hearing. Thereafter, the action of the subcommittee is referred to the full Committee of the Judiciary, where any one of the 15 Senators composing that committee is given every opportunity for debate and for bringing to the attention of the full committee any protests registered by anyone, including the Attorney General, any of his assistants, the Department of State, the Commissioner of Immigration and Naturalization, or any of his deputies, or anyone else, and the entire file of the person about to be deported is made available to the full committee of 15 Senators.

At this hearing of the full committee, any Senator can ask for a yea-and-nay vote. If a majority of the full committee vote against deportation, the bill will go to the floor of the Senate, where again there is opportunity for unlimited debate.

Any one of the 96 Senators can present any arguments for or against the bill. Any Senator can produce any evidence, written or oral, against the passage of this bill that may have been brought to his attention. He can read any letter, any telegram, or other matter. If the bill is passed, it then will go to the House of Representatives.

In the House of Representatives, the entire procedure I have just outlined as having taken place in the Senate Judiciary Committee will be repeated before the Judiciary Committee of the House, including proceedings before the subcommittee, the full committee, and again before the 435 Members of the House, any one of whom can object to

the bill and can state publicly his reasons therefor.

In all the hearings, the Commissioner of Immigration has an opportunity to be heard. The Commissioner of Immigration, with the millions of dollars available to him, and a large staff of investigators always consulted, always makes a written report to the subcommittee, which report in turn is sent to the full committee, and which in turn goes to the President of the United States.

The President of the United States has expert advice from the Bureau of Immigration, and as all of us know, either signs the bill or vetoes it. For instance, last week the President vetoed the Kurt Glaser bill on the ground that Glaser was an exchange student; and, as the President so clearly stated, he did not wish the exchange of students to be interfered with by having the foreign students stay in this country, when the entire theory of exchanging students was to have the students from foreign countries return to their native lands.

All this procedure is being followed in the Nicolo Impestato case. The Senator from South Carolina [Mr. JOHNSTON] introduced a bill dealing with that case, and I was a cosponsor of the bill. Then, without writing to or in any way contacting either Senator JOHNSTON or myself, the so-called Kansas City crime commission rushed a statement into the newspapers, in an obvious attempt to discredit Senator JOHNSTON and myself; and the cry was heard that Impestato was a well-known dealer in dope and other narcotics, who had been convicted in the courts; and that when the United States attempted to deport him, a bill was introduced to stop the deportation of this arch criminal.

What are the facts in the Impestato case? Mr. Impestato, with thousands of others, entered the United States illegally in the year 1924, 31 years ago. Apparently he had a good record in this country until he was indicted by the Federal grand jury in Kansas City, Mo., on April 1, 1942, for violation of the Federal narcotics laws. On November 4, 1942, he entered a plea of guilty; and on April 14, 1943, Federal Judge Albert L. Reeves sentenced him to 2 years' imprisonment. In the indictment he was specifically charged with concealment and facilitating the concealment of approximately 66 ounces of a narcotic drug, knowing at the time of concealment that they had been imported into the United States contrary to the law.

The records show that Mr. Impestato served 18 months and 60 days of the sentence, and that he was released from the institution, on a conditional release, on November 19, 1944.

In other words, he apparently made a good record in the penitentiary, and received the usual "time off" for good behavior there.

Mr. President, I know nothing about the facts in connection with the commission of this crime. Mr. Impestato may have been directly or indirectly involved. He may have been the moving spirit of he may merely have been associated with the higher-ups. But there is one person who knows all the facts, and that is the United States attorney who prosecuted him.

Mr. Impestato was released from the penitentiary on November 19, 1944, nearly 11 years ago. Apparently his record since that time has been good; or it may not have been good. In any event, the Immigration Department waited nearly 11 years before taking any steps to deport him; and it was at that point that Senator JOHNSTON interceded in the case. He did so at the request of people who believed that Mr. Impestato was not treated fairly.

Apparently during the 31 years of his residence in this country, aside from this one matter in which he became involved, Mr. Impestato's record has been good; and apparently in Missouri there are folks who believe that in matters of this kind, justice should be done.

It may be that Mr. Impestato has married an American girl, it may be that he has a large family, and that these innocent people would be vitally affected by the deportation of the husband and the father to a foreign country which he left 31 years ago. The innocent wife and children would then be without a husband and a father, and the family would be broken up; or they would accompany him to a foreign country, where they would not know a soul.

When the deportation proceedings were instituted the assistant United States attorney who prosecuted him before Judge Reeves was—and still is—the prosecuting attorney for Kansas City, Mo., and when he saw that Senator JOHNSTON and I had introduced his bill that attorney, in order to get all the facts, on May 6, 1955, wrote a letter to Senator JOHNSTON.

Mr. President, I hope all Senators will listen carefully, for I am about to read a letter from the assistant United States attorney who prosecuted this man. The letter reads as follows:

PROSECUTING ATTORNEY'S OFFICE,
Kansas City, Mo., May 6, 1955.

Hon. OLIN JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: I am writing you this letter because I have heard that you have been criticized for having introduced Senate bill 212 to stay deportation of certain individuals who have been in this country for many years and who now it is proposed to deport and return to the country of their origin.

I have never believed in the promiscuous deportation of people who have entered this country. Partly because originally this country opened its doors to the oppressed of all the countries of the Old World to provide them new homes and new opportunities. We all know that the percentage of good and bad people of whatever nationality or racial origin runs about the same. I have felt for a good many years that persons who perhaps are unjustly prejudiced against people of certain European derivation are trying to get control of the machinery of immigration and unfairly to discriminate against the admission of certain people to this country and to bring about the deportation of others.

I enclose the carbon of a letter which I wrote to the Honorable Attorney General of the United States on September 24, 1954, protesting the movement to deport a man named Nicolo Impestato.

I handled the prosecution against him while I was in the office of the United States attorney for the Western Judicial District of Missouri. As agent and attorney for the United States with the full knowledge and concurrence of that Bureau of the Treasury Department which was concerned with his prosecution and with the full knowledge of the then United States attorney and of the senior United States judge for the Western Judicial District of Missouri, we gave him definitely to understand that if he entered a plea of guilty of the charge pending against him that there would be a recommendation of no deportation made to the judge before whom his plea of guilty was received. We did make that recommendation to the judge and the judge in turn made such order and forwarded the same to the office of the United States Attorney General.

At the time I wrote the letter, a carbon of which I am sending you with this letter I strongly felt and still feel that as a matter of honor the Government is bound by the representations made to Mr. Impestato and if he is included in your Senate bill 212 you certainly have the liberty, as far as I am concerned, to use this letter and the carbon enclosed in any manner you deem proper.

Very respectfully yours,
RICHARD K. PHELPS,
Prosecuting Attorney.

Mind you, Mr. President, that letter comes from the man who prosecuted the person who now, if the present attempt is successful, will be deported.

With that letter, written on May 6, 1955, he enclosed a letter dated September 24, 1954, to the United States Attorney General, which is as follows:

SEPTEMBER 24, 1954.

UNITED STATES ATTORNEY GENERAL,
Department of Justice Building,
Washington, D. C.

SIR: As an assistant United States attorney from 1934 to 1943 I was in charge of the prosecution of Nicolo Impestato in a suit involving illicit traffic in narcotics.

Mr. Impestato was one of a group of defendants, many of whom were tried and convicted, and Mr. Impestato entered a plea of guilty. We were morally certain that the defendant was guilty of the crime charged but as I recall our evidence was not very convincing.

While we did not bargain for the plea of guilty, yet our office did recommend to Judge Reeves, and we agreed with counsel for the defense for such recommendation, that the defendant not be deported for such violation, mainly for the reason that we did not believe in deportation as a punishment for the crime.

I have not checked the record for the purpose of ascertaining if the judge did actually make such recommendation to your office, but I do recall distinctly requesting such recommendation to be made.

I have no personal interest in this defendant and have not seen him since the trial. I have been advised, however, of the pending matter by his lawyer, Mr. James Daleo, for whom I have a high respect, but I am not writing this letter for him or for his attorney, but simply as a matter of keeping faith with the defendant, something which I always endeavored to do while I was in the Attorney General's Office. The Treasury Department knew, and the judge knew, that we were recommending no deportation order for this man, and I have always felt the Government of the United States is great enough to be able to afford to keep faith completely with any defendant, however lowly or humble shall be his station.

I have read that the question of his deportation is pending and, as I understand it, for this conviction, and I felt in honor bound to advise you of the facts of this case.

Very respectfully yours,
RICHARD K. PHELPS.

I repeat, Mr. Phelps is now the prosecuting attorney in Kansas City.

Thereafter, on confirmation of the letter received from Richard K. Phelps, prosecuting attorney, Senator JOHNSTON secured a photostatic copy of the order of the Federal Court Judge Albert L. Reeves, when he sentenced Mr. Impestato. That order is as follows:

IN THE DISTRICT COURT OF THE UNITED STATES OF AMERICA FOR THE WESTERN DISTRICT OF MISSOURI, WESTERN DIVISION

UNITED STATES OF AMERICA, PLAINTIFF, VERSUS NICOLO IMPESTATO, DEFENDANT—NO. 15377

Order

Whereas Nicolo Impestato, in the above-entitled cause, has heretofore been convicted of the violation of section 174, title 21, United States Code Annotated, and sentenced to imprisonment for a term of 2 years; and

Whereas the court at the time of passing said sentence, due notice having been given to representatives of the State, indicated that he would make a recommendation to the Attorney General pursuant to section 155, title 8, United States Code Annotated, that the said Nicolo Impestato be not deported; and

Whereas the court has on this day, due notice having been given to the representatives of the State, forwarded a recommendation of no deportation as to Nicolo Impestato pursuant to section 155, title 8, United States Code Annotated.

Now, therefore, it is ordered by the court that the clerk enter upon the records of this cause a note to the effect that such a recommendation of no deportation has been made.

ALBERT L. REEVES,
Judge.

Here we have a case in which this man, in all probability, was only directly involved in this narcotics matter. He pled guilty with a specific understanding on the part of the prosecuting attorney and on the part of the judge that there was no deportation order; and every one of us knows that a promise made to a defendant in a criminal case should be sacredly kept.

This man may have been technically guilty. He may have been without funds to fight his case all the way through to the Supreme Court of the United States, there may have been a variety of reasons why he chose to plead guilty rather than stand trial. Why should any Commission oppose an unbiased investigation?

In any event, here was a promise made by the Government of the United States, and if the Government will not keep its word, how can that Government expect any citizen of the country to do so? In any event, all that Senator JOHNSTON and I requested was that the proper committees of the Senate investigate, that witnesses be called under oath, and that the question, after going through the subcommittees and full committees of both the House of Representatives and the Senate, be finally determined by the Congress of the United States and by the President.

I ask, is not this the reason we have Judiciary Committees? Is not this constitutional right given to any man to petition as provided under the Constitution of the United States?

This man was deportable; and there is nothing that any court can do but deport him unless the Congress intervenes.

The functions of the Congress, the judiciary, and the executive, are entirely distinct under our system of Government. The courts have their duty to perform, and so has the Congress. That duty should be performed impartially, as Senator JOHNSTON endeavored to perform it without fear or favor, by submitting the case to the proper committees for any action they might consider proper.

However, without anyone writing to either Senator JOHNSTON or myself as to why the bill was introduced, big blazing headlines appeared in the press of South Carolina which are antagonistic to him.

For anyone in politics in South Carolina to have certain newspapers against him is an honor.

As I have said on other occasions upon the floor, as long as I am in the Senate, I shall continue to do my duty as I see it, as I know Senator JOHNSTON will do his duty.

The newspapers of South Carolina will not be able to scare him, or bulldoze him, or deter him from doing his duty.

To show what a lying article can do, I wish to quote a letter which I have received from Mr. V. Haney, St. Louis, Mo., in which he asks me to resign as a United States Senator because I was one of the cosponsors of this bill.

That is what the newspapers can do with their lying headlines. I suppose that every Senator on one occasion or another has had to face that kind of unscrupulous attack. The letter reads as follows:

St. Louis, Mo., June 5, 1955.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: How anyone could possibly be instrumental in introducing a bill to stay the deportation of a dope peddler is beyond the imagination.

Our laws insofar as they pertain to punishment of narcotic violations are laws passed by sissies. The death penalty should be passed on all narcotic peddlers that are convicted.

There is not one shred of excuse for such a person even existing and causing all the misery and corruption they accomplish with their filthy traffic.

I would suggest you read up on the narcotic laws of Turkey. Put more teeth in the law.

If you continue to sponsor this bill I don't see how you can look your family, your constituents or any citizen in the face. If you can't in good conscience uphold the laws of the United States then you should resign from the United States Senate.

Yours truly,

V. HANEY.

The letter is typical of many similar letters I have received because of adverse publicity in this case that has been broadcast all over the United States. The distinguished Senator from South Carolina [Mr. JOHNSTON] tells me he has received similar letters, indeed, many, many letter of criticism—and all for doing his duty. All Senators who have known Senator JOHNSTON, as many of us have from our many years of association with him, know his fearlessness, his integrity, and his almost inarticulate desire to do what is right, and we know that this highly religious man, able and competent as he is, will continue to do his duty and that the people of South Carolina will not let the champion of the underdog in that State down.

When they realize the true facts in this case, when they become acquainted with the facts, they will rally behind him as a fearless friend of the underdog.

Every one of us has his faults, every one of us makes mistakes in life, but it can be said of Senator JOHNSTON that any mistakes he has made have been those of the head and not of the heart, and that when he does make a mistake he is the first to admit it.

The people of South Carolina know that, but I want publicly to pay tribute to this outstanding man, with whom I have been associated these many years on the floor of the Senate. He comes from the integral part of the South, while I come from the great Northwest. He is a Democrat, while I am a Republican, but I think we will all agree that when a dirty, underhanded, sneaky attempt is made to discredit a splendid public servant, we in this body are neither Democrats nor Republicans, but Americans doing our duty under the sacred oath and obligation we take when we enter this chamber.

I brand as contemptible the article published by the Kansas City Crime Commission, a copy of which was mailed to every Senator and every Representative, attacking a distinguished colleague of ours. They did it without writing or sending a telegram to any one of us who have introduced such bills. I have introduced private bills affecting thousands of people. I have introduced private bills for people of every nationality, and I certainly propose to keep on doing it. I do not know of a Senator who at one time or another has not introduced private bills. Certainly it is the duty of a Senator, when he feels that under circumstances such as I have named, where a man is married to an innocent woman and has a large family, and has been away from his country of origin for 30 or 40 or 50 years, to introduce that kind of bill.

Such a bill must go to the subcommittee, then to the full committee, and then must come to the floor of the Senate. Then it goes to the subcommittee of the House committee, and then to the full committee of the House. Then 435 Members of the House of Representatives must pass on it. Finally the bill goes to the President. The President calls for a report from the Commissioner on Immigration.

Therefore when I read some of these screaming headlines wrongfully accusing the Senator from South Carolina, I do not intend to sit idly by. In North Dakota the people do not pay any attention to such charges against me. I have been smeared so often they do not bother reading about them. However, in the South, some people may not have the same knowledge about Senator JOHNSTON. Therefore, as a former chairman of the Committee on the Judiciary I feel it my duty to rise on the floor today and publicly denounce a disgraceful and shameful attempt on the part of the Kansas City Crime Commission to wreck the career of this distinguished man.

Mr. JOHNSTON of South Carolina. I thank the Senator from North Dakota for bringing to the attention of the Senate some of the facts in this case. I have not become excited over it. I do not intend to become excited over it. I introduced the bill at the request of several people, and I have no apologies to make to any man or group of men. I thank the Senator from North Dakota.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6367) was read the third time and passed.

Mr. HOLLAND. Mr. President, after the termination of the hearings by the subcommittee, but too late to include in the printed record of the hearings, the subcommittee received several communications from Senators and others. We have explained to the Senators the reason why their communications could not appear in the hearings. In order that they may appear in the CONGRESSIONAL RECORD, I ask unanimous consent that the communications may be printed in the RECORD immediately following the vote on the bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
June 8, 1955.

Hon. SPESSARD L. HOLLAND,
Chairman, Commerce Subcommittee,
Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SPESSARD: I understand that your subcommittee is scheduled to mark up H. R. 6367, dealing with Commerce Department appropriations, this afternoon. I regret that time does not permit me to make a fuller statement of my concern regarding portions of that bill before your subcommittee; however, I do want you to know the disadvantageous and possibly dangerous results that would ensue from the proposed closing of airways communications stations at Drummond, Livingston, and Whitehall, Mont.

As you know the CAA, operating under budget ceilings, did not request funds for continued operation of about 30 stations, including those mentioned in Montana. That is not to say that these stations are not necessary for safe instrument flying. I was told this morning by CAA officials that closing of these admittedly useful Montana stations could well impair flying service in Montana. My State, being remote, relies heavily on air transportation, and the rugged terrain and frequently inclement weather in the State necessitates frequent recourse to instrument flight rules. Veteran Montana airmen have soberly informed me that continued operation of the airways communications stations at Drummond, Livingston, and Whitehall are vital to the safety of aircraft using Federal airways in my State.

It is my understanding that the House cut the CAA's modest request by $3 million, and that restoration of that $5 million, plus appropriation of an additional $1 million to provide for continued operation of the 30 stations not provided for in the CAA request, will probably be necessary in order to provide for continued operation of the Montana stations. I would like to state emphatically my opinion that appropriation of this additional $4 million is warranted.

Senator JAMES E. MURRAY, who is presently absent on official business, wishes to associate himself completely with my views.

I shall deeply appreciate such consideration as your subcommittee gives our views.

With best personal wishes, I am,

Sincerely yours,

MIKE MANSFIELD.

JUNE 7, 1955.

Hon. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce, United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: I was astonished to learn that the Weather Bureau has never received an appropriation to purchase radar weather observing equipment. I did not know that the meager equipment it now has was salvaged from excess stocks of airborne radar equipment not even designed to detect, track, and analyze severe weather phenomena.

It was therefore very disappointing to me when the Weather Bureau's modest request for $10 million for the establishment of facilities, including the installation of storm detection radar equipment at 55 stations, was reduced to half that amount by the Bureau of the Budget.

My interest in this appropriation request stems from the fact that Oklahoma lies in the center of the tornado belt, and the fact that radar equipment has proven especially effective in detecting and tracking tornadoes, which advance at speeds of from 20 to more than 50 miles an hour.

Oklahoma is one of the States especially subject to tornadoes. During the period from 1915 to 1949, Oklahoma suffered 664 fatalities as the result of tornadoes, while during the same period nationwide there were 7,961 deaths, about 10 times that number of injuries, and property damage that cannot even be estimated. These figures, of course, do not include the tornadoes that have occurred since 1949 or those of last month which took more than 100 lives in Oklahoma and Kansas alone.

The Weather Bureau estimates that 85 modern radar stations are needed to detect, track, and analyze severe weather phenomena such as tornadoes and hurricanes. Approval of the original $10 million request would have enabled the Bureau to equip 55 of the 85 needed stations with radar. As reduced to $5 million by the Budget Bureau, and approved by the House, only 12 stations can be equipped. By increasing the figure to $10 million, 43 more stations could be equipped, and I strongly urge that the amount be so increased.

It is an established fact that in cases where the Weather Bureau has been able to give timely warnings of approaching storms, deaths have been reduced. As an example, in 1947 a tornado was detected at least half an hour before it struck the town of Leedey, Okla., and a warning was flashed to the community. Although two-thirds of the town was demolished, there were only six fatalities.

The Weather Bureau's severe weather warning system must be expanded and improved. We know that we will experience destructive tornadoes and hurricanes again, and we know that as yet we have no means of controlling or directing them. But we also know that with instantaneous distribution of warnings, the loss of life can be virtually eliminated and damage to property materially reduced.

The House has approved an additional $2,250,000 for the Weather Bureau, and a request is pending in the Senate to increase that amount to $5 million which, as I understand it, would be used exclusively for an emergency hurricane warning system.

I certainly do not wish in any way to minimize the urgent need for improvement of the hurricane warning system, but I do wish to emphasize that the same urgency exists with respect to the tornado warning system. The fact that different sections of the country are subject to different types of severe weather does not, in my opinion, make any section more or less entitled to protection than the others.

I firmly believe that the Weather Bureau could use considerably more than the $5 million being requested in the Senate to improve the hurricane warning system, but I do not feel that the other parts of the country subject to severe weather should be penalized by earmarking for that exclusive purpose any funds which may be appropriated.

I also wish to strongly endorse the request for an initial appropriation of $1 million for severe weather research. The Weather Bureau has long been handicapped by inadequate instrumentation and facilities for the collection, reduction, and analysis of data on severe weather disturbances. Approval of the request for $1 million will permit the Bureau to begin a research program in cooperation with colleges and universities, which would carry on the fringe aspects of data reduction and analysis, thus freeing the experts from time-consuming detail and permitting them to devote their efforts to only the most important aspects of the problem.

The sooner we undertake the research necessary for improving forecasts of severe weather, the sooner we can begin to reduce the terrible toll of life and property inflicted upon us by these violent disturbances.

Very truly yours,

MIKE MONRONEY.

UNITED STATES SENATE,
Washington, D. C., June 8, 1955.

Hon. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Commerce and Related Agencies, Senate Appropriations Committee, Washington, D. C.

DEAR SPESSARD: In your consideration of H. R. 6367, the appropriation bill for the Department of Commerce, this afternoon, I should like to bring to your attention and respectfully ask for consideration the following:

While this bill was on the floor of the House, Representative FOGARTY, of Rhode Island, offered an amendment, which was passed, to add $2,250,000 above the budget figure for the purpose of reactivating certain Weather Bureau stations.

Sometime ago the Weather Bureau station at Erie, Pa., which is in a particularly vital weather area, Erie being a major port of the Great Lakes, was deactivated, as I understand it, in a reorganization for budgetary reasons. Since that time the citizens of Erie and the meteorologists and climatologists concerned have repeatedly expressed their apprehension to me on the absence of this station.

It is my understanding that it is contemplated that if the Senate Appropriations Committee approves the House bill and it is passed finally in the present increased sum that the Weather Bureau station at Erie, Pa., will be reactivated.

I sincerely hope that your committee will approve the bill, and that some appropriate action may be taken by your committee to

assure reactivation of the Weather Bureau station at Erie.

With kind regards, I am,

Very sincerely,

EDWARD MARTIN.

AMERICAN METEOROLOGICAL SOCIETY,
Boston, Mass., June 6, 1955.

The Honorable CARL HAYDEN,
United States Senate,
Washington, D. C.

DEAR SENATOR HAYDEN: It has come to our attention that the Appropriations Committee is now considering the appropriations for the coming fiscal year for the Weather Bureau of the Department of Commerce. The American Meteorological Society has a membership of over 5,000, and is the professional meteorological society of this country. At its meeting in New York City in January of this year the council of the society considered at length the question of severe storms, such as tornadoes and hurricanes, that cause such tragic losses of life and property. We felt that you would be interested in reading about the following actions taken by the council at that time.

Voted, that the council recognizes deficiencies in the state of our knowledge of severe storms, particularly tornadoes and hurricanes, and strongly endorses an increased research effort in this area.

Voted, that a new committee be appointed to promote research on severe storms through the holding of symposia, the sponsoring of monographs or other publications, and by any other suitable means.

Voted, that in view of the great losses of life and property suffered by our citizens from the destructive action of tornadoes and hurricanes, the American Meteorological Society recommends that special funds be appropriated to enable the United States Weather Bureau, in cooperation with other public and private agencies, to conduct research projects on tornadoes and on hurricanes, along the lines of the successful thunderstorm project of several years ago.

You will note that we have stressed the need for research into the causes and behavior of hurricanes and tornadoes. Although we agree that an expanded observational and warning system is required, we wish to emphasize our opinion that more basic knowledge is required for the proper utilization of an expanded observational and warning network. Even the best warning system is only as effective as the forecast of the severe storm.

The society is extremely appreciative of the careful study you are giving to the protection of our citizens from these destructive acts of nature. With your support the meteorological profession will strive to develop improved methods of forecasting, and even of modifying destructive storms.

Sincerely,

HENRY G. HOUGHTON,
Secretary.

DENVER, COLO., *June 3, 1955.*

The Honorable EUGENE D. MILLIKIN,
Senate Office Building,
Washington, D. C.:

Urge your support of amendment to House appropriation bill for grants-in-aid to airports. Imperative that original request of $100 million be granted in line with assurances given cities in years past. Lesser sum insufficient when spread over 48 States.

Program has been virtually at standstill for several years. Airports so closely tied to both national and civil defense that passage of appropriation as amended is vital.

QUIGG NEWTON, *Mayor.*

PUEBLO, COLO., *May 19, 1955.*

Hon. EUGENE D. MILLIKIN,
Senate Office Building,
Washington, D. C.

DEAR SIR: We in Pueblo have been working diligently and expensively, as you know, on our part of the bargain with the Federal Government to do our part in the development of adequate airport facilities. I am sure you are more fully aware than I of the need for good transportation facilities of all types in this region of great distances between population centers. It seems apparent that the city residents should not bear the entire load for our Nation's air facilities. Because this matter is so important nationally, and because it is only fair that all groups of our country should assist in financing it, we hope that you will assist in securing the requested appropriation of $100 million as authorized by the Federal Airport Act of 1946.

Locally, we hope in the near future to develop our airport facilities further by the addition of a high intensity lighting system which will make for a much safer operation. This we could probably finance locally, if necessary. But as air transportation develops in this region, extensive expansion will be necessary and we cannot go it alone.

I hope you will agree that the air transport facilities of this Nation have a definite national scope and not conclude that we are more beggars at the Federal doorstep. As a member of Airport Sponsors Committee, and having followed this problem rather closely, I believe the $100 million figure is realistic and one which the municipalities are willing to match in the interest of a progressively greater country.

Yours very truly,

FRED VOSS,
President, City Council of Pueblo.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. ELLENDER, Mr. KILGORE, Mr. MAGNUSON, Mr. STENNIS, Mr. CLEMENTS, Mrs. SMITH of Maine, Mr. BRIDGES, Mr. KNOWLAND, Mr. THYE, and Mr. POTTER conferees on the part of the Senate.

ADDRESS BY NATIONAL COMDR. SEABORN P. COLLINS, OF THE AMERICAN LEGION, BEFORE THE BRITISH EMPIRE SERVICE LEAGUE, LONDON

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks an address delivered by National Comdr. Seaborn P. Collins, of the American Legion, before the biennial conference of the British Empire Service League, in London, England, on June 6, 1955, together with an article from the Washington Post and Times Herald of June 7, 1955, reporting the alleged rebuke which certain officials in Great Britain were said to have delivered against Commander Collins, and a newspaper statement which I issued in response thereto.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ADDRESS BY NATIONAL COMMANDER SEABORN P. COLLINS OF THE AMERICAN LEGION BEFORE THE BIENNIAL CONFERENCE OF THE BRITISH EMPIRE SERVICE LEAGUE, LONDON, ENGLAND, JUNE 6, 1955

I am very happy to be here and to bring you the warmest personal greetings of 4 million American Legionnaires and Auxiliary members. They join me in wishing you a most successful and memorable conference.

This date, June 6, is one of the most significant in all history. On June 6, 1944, the Allied forces invaded the Continent. On that day began the final chapter in the bloodiest, costliest war of all time. The first chapter had begun on September 3, 1939. For more than 2 years you had stood virtually alone against the enemy, demonstrating courage and defiance such as the world had not before seen. In the words of one of the world's truly great statesmen, Sir Winston Churchill, it was your finest hour.

We know now that the fight for final victory was conceived in that hour. It reached its most decisive stage on D-day.

For you and me, for the British Empire Service League and the American Legion, for your country and mine, D-day has more than military and historical significance. It represents the perfection of cooperation between our nations in our mutual dedication to a common cause.

I realize, and so do you, that wartime conditions create a comradeship between men and nations that is difficult to achieve in peacetime. Yet the effectiveness of cooperation between our nations symbolized by D-day can be attained now and in the future because it has been attained—because it must be attained.

We have greater cause to be united in purpose and action today than we ever had in World War II. The godless tyranny of communism is an infinitely greater threat to our continued existence as free nations than existed even in the darkest hours of World War II.

It would be easier, of course, and perhaps more diplomatic to avoid any discussion of this issue today. Yet, I feel compelled to meet the issue head on at this time for two reasons.

First, it is the most critical problem now facing our respective nations and the entire free world. Secondly, I believe sincerely that men of different nations who fought together on the field of battle are courageous and mature enough to face up to reality.

The American Legion has some very positive, thoroughly considered views on this matter. Our views have no official status, of course. The American Legion does not speak for our Government, even though our thinking often suggest and reflects the Government's position. However, the American Legion's views are shared by substantial numbers of our fellow citizens. Our hopes and desires, and our convictions and resolutions are,in fact, the hopes and desires, the convictions and resolutions of many millions of Americans.

I think you can appreciate this. I hope that you will also appreciate this fact. As veterans who have known the death and destruction, and the suffering and sacrifice of war we share your fervent desire for peace. We want America and the other free nations of the world to be strong militarily so that they can preserve peace * * * lasting and honorable peace.

I reemphasize that the American Legion and the American people want peace, but not peace at any price. We believe that there are things worse than war. Certainly the loss of freedom and the right to live as dignified creatures of God would be worse than war.

The American Legion recognizes that our freedoms and our very lives are threatened by communism. We recognize, too, that the Communist threat is fourfold—military, economic, political, and ideological—the fight for men's minds. It must be met by military, economic, political, and ideological means.

Each area is important. As veterans, however, we are most naturally concerned about the Communist military threat. The Communists' military capabilities depend to a

great extent, of course, upon their economic strength. Therefore, the American Legion, in formulating a program which we believe will insure adequate defense against communism, has considered the economic factors influencing the Reds' military capabilities.

If I may I would like to tell you very briefly what the American Legion believes our countries and the other free nations of the world must do to forestall or defeat Communist aggression.

The American Legion believes that the only safe, sane policy which we can follow in any dealings with the Communists is to judge them solely on the basis of their performance rather than on their promises. The second premise on which our program is based is this: Appeasement will never stop aggression.

By their admission, the Kremlin-controlled forces of communism in Russia, China, and elsewhere throughout the world have but one, unchanging purpose; to bring every free nation and all free people under their domination and control.

We must not be deceived by Communist peace offensives. The Communists' tactics may change to meet changing conditions, but their basic purpose never changes.

You know this and you know, too, that you can't do business with a blackmailer. Once you start paying blackmail, you have to keep on paying. The demands for more and more money never end. Finally, when you can pay no more, the purpose for which you have paid is exposed and exploited.

The same holds true of appeasement. Call it by whatever name you will, trying to "buy off" an aggressor is just as futile and just as suicidal as trying to pay off a blackmailer.

You know this is true. You saw what happened at Munich in 1938. Hitler couldn't be appeased. He couldn't be stopped except by armed might. You had the courage and the intelligence to make the first stand against him * * * to tell him that there would be no more appeasement.

The American Legion feels that the free world today is faced with the same challenge which you met so boldly less than 16 years ago. The free world must exhibit the courage and intelligence to tell the Communist that there shall be no appeasement.

Russia had been stopped from overrunning Western Europe by the North Atlantic Treaty Organization. The rich industrial and agricultural resources of this area have not fallen into the hands of the Communists only because the free nations which make up NATO were united in giving the Kremlin the only kind of answer it understands: Force will be met with force. Aggression will be resisted. The free people of Western Europe, of the Empire and of America will not appease the Communists as the price for peace.

What we have done in Europe, we can and must do in Asia. This the American Legion firmly believes. In our opinion, Communist aggression must be resisted on every front or the money, material, and manpower spent in building up our defenses in Western Europe or in any other single area of the world will be completely wasted.

We must strengthen our defenses to repel what must be considered a very real possibility of Communist aggression against Formosa, South Viet Nam, Malaya, Hong Kong, and all of southeast Asia. What steps must be taken to strengthen the free world's defenses against the Red tide of communism in Asia?

In light of the Communists' record of performance, knowing that appeasement will not insure peace or preserve freedom, and addressing itself only to our own Government whose policies and actions are determined by us and by our fellow citizens, the American Legion believes that the United States must:

1. Resist any attack against Formosa and the strategic area surrounding it.

2. Refuse to recognize Communist China and refuse to permit the seating of Communist China as a member of the United Nations, for any purpose whatsoever.

3. Continue to demand the release of American airmen still imprisoned in Communist China. The release of four airmen last week is encouraging, of course. But this action does not necessarily mean that the other airmen will be released. We must continue to work for their release, through the United Nations, if possible, but through the use of every means available to the United States, if necessary.

Let me assure you that while the American Legion has limited its program to our own country simply because we would not presume to suggest what other governments should do, we believe sincerely that the program we recommend to prevent or defeat further Communist aggression in Asia would, if adopted by the other free nations of the world, serve their best interests.

We think that the methods which we have proposed are necessary and practical * * * not only for America but for all free nations which share our determination to fight for the preservation of freedom and human dignity.

These recommendations are not made lightly. They are made instead with full knowledge of America's continuing responsibility to do everything possible to preserve peace. We believe that these steps are much less likely to provoke war than a policy which would cause the Communists to miscalculate the free world's determination to resist aggression.

One final word on this problem of preserving freedom from Communist tyranny.

A moment ago I mentioned that economic considerations often directly influence the military picture. With reference to the Communist military threat, the American Legion strongly opposes the sending of any strategic materials to Red China or to any country behind the Iron or Bamboo Curtains. It seems to us unthinkable that any free nation would devote a large part of its manpower, monetary, and material resources to the building of adequate military forces for the defense against communism, and at the same time help the Communists increase their own military strength by selling or trading them strategic materials.

I'm sure you agree.

I wish that time permitted me to tell you even briefly of the American Legion's many programs on behalf of our veterans and all of our citizens. You may be certain that the Legion, in carrying out its pledge of service for God and country, is as dedicated as the British Empire Service League to the welfare and security of our Nation, our comrades in arms, and all of our citizens.

We feel that the American Legion and the British Empire Service League can work together closely for the benefit of veterans and ex-servicemen and for the military security of our respective nations. We can use our resources and experience to insure that our nations and our people will remain united in purpose and action so that we will be the strong, sure leaders which mankind needs if freedom and civilization itself are to be preserved.

Certainly this objective is worthy of the high ideals of the British Empire Service League and the American Legion. This objective is in keeping with your pledge of service for the Empire and its ex-servicemen, and with the American Legion's pledge of service for our country and for our comrades in arms who have sacrificed the most in its defense.

May the British Empire Service League and the American Legion continue to serve together in peace as our members served together in war.

Thank you.

[From the Washington Post and Times Herald of June 7, 1955]

LEGION HEAD GETS REBUKE FOR RED BLAST IN BRITAIN

LONDON, June 6.—Adm. Earl Mountbatten today rebuked National Commander Seaborn P. Collins, of the American Legion, for a speech blasting communism in general instead of concentrating on the welfare of ex-servicemen.

The reprimand came in Mountbatten's remarks to a conference of the British Empire ex-servicemen's league shortly after Collins warned the conference against Communist peace offensives.

Mountbatten, Britain's first sea lord and wartime commander in southeast Asia, told the gathering:

"I would point out to Mr. Collins that we confine ourselves to the ex-servicemen, which is the main objective of the league. It is outside politics."

Earlier, Collins launched into one of the bitterest condemnations of communism ever heard at a public meeting in Britain.

"The godless tyranny of communism is a more eternal and continuing threat to our existence as free nations than any which existed during the darkest hours of World War II," he told the delegates of 39 countries.

Admitting it would be more diplomatic to avoid discussion of communism, the American Legion commander said he, nevertheless, felt "compelled to meet the issue head-on."

"Appeasement will never stop aggression," he said. "We must not be deceived by continuous peace offensives.

"The Communist tactics may change from time to time to meet changing conditions, but their basic purpose never changes. We know this and we know you cannot do business with a blackmailer."

WASHINGTON, June 6.—Senator KARL MUNDT, Republican, of South Dakota, said here today he was "personally distressed" to read a published report indicating that American Legion National Commander Seaborn L. Collins was "rebuked" by Adm. Earl Mountbatten following a speech Collins made today before the British Empire Service League in London.

Admiral Mountbatten is head of the league, a veterans' organization comparable to the American Legion, and the news report from England said he tartly reminded Collins that the league "is concerned only with ex-veterans" after Collins had asked the British to remember Munich as the result of appeasement, and also spoke out against trading with Red China.

"I am glad that Collins had the candor to present the American viewpoint straight from the shoulder to fellow veterans in the United Kingdom," Senator MUNDT said in his comments today.

"As a member of the Senate investigations subcommittee, I want to say that our committee records show trading between non-Communist nations and Red China hit a new peak in January of this year—160 vessels participated which is the largest amount since the Korean war began.

"National Commander Collins did a great service in London by bringing this subject to the attention of the British, because 52 percent of those vessels trading with Red China in January were under British registry and flying the British flag.

"Despite the coolness of First Sea Lord, Adm. Earl Mountblatten, I am sure that careful consideration of all the facts by the

British will lead them to realize their ships are only strengthening the economy of Red China.

"There is no question that this trade jeopardizes the future of the British possession of Hong Kong, and weakens the position of the free world in the entire Asiatic area today.

"The American people should congratulate Commander Collins for bringing to the British our firm opposition to this trade while American boys are still held in Red Chinese jails.

"Our British allies would do well to keep in mind that the great majority of American people are solidly behind the American Legion opinion as expressed by Commander Collins in London today."

AMERICAN LABOR IN THE BATTLE AGAINST COMMUNISM

Mr. NEUBERGER. Mr. President, American labor is in the forefront of the battle against communism. The trade unions of our country realize that not only must an ideological war be won but that we must try to end the conditions of poverty, hunger and disease which are the swamps where communism has its main chance to breed.

The successful and intelligent participation by American labor, both of the American Federation of Labor and the Congress of Industrial Organizations, in the recent International Confederation of Free Trade Unions is an inspiring story. The meeting was held in Vienna, Austria.

I ask that the Members of the Senate have the opportunity to read a splendid account of American labor's role in that meeting, as it appeared by Arnold Beichman in the June 13, 1955, issue of the New Leader under the appropriate title "United States Labor Assumes World Leadership."

This article helps to emphasize how determinedly and persistently our great labor organizations are fighting against the spread of communism. The leaders of labor know, however, that communism never will be stopped with speeches and oratory, but that an increase in the world's standard of living will serve to diminish the area in which communism might spread.

I also ask that an article from the same issue of the New Leader, by William E. Bohn, its executive editor, be reprinted. Its title is "Debs, Gompers and the Unions." Mr. Bohn underscores the conservative nature of many American unions, but he points to the great and steady list of achievements which these same unions have attained for American working men and women. This is another article which helps to show how unfair and distorted are current attacks upon American labor for socialism, radicalism, and similar charges.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

UNITED STATES LABOR ASSUMES WORLD LEADERSHIP—INTERNATIONAL PARLEY OF FREE UNIONS A TRIUMPH FOR AFL, CIO

(By Arnold Beichman)

VIENNA.—On the afternoon of May 18, AFL President George Meany landed in Zurich, Switzerland, en route to the Fourth World Congress of the International Confederation of Free Trade Unions in Vienna. Due to the still unsolved horse-and-buggy complications of jet-age travel, he found himself without a reservation on the connecting flight to the Austrian capital.

Labor Columnist Victor Riesel, also en route to the ICFTU Congress but with a reservation in hand, offered it to Meany so that he could get to Vienna without delay. The AFL leader thanked him and said that he and his party had been traveling together from New York and that they'd all stick together. His party consisted of his wife, his secretary, Virginia Tehas, the Morris Noviks, and A. H. Raskin, the New York Times labor correspondent.

Meany then began checking on ways of getting to Vienna fast because the ICFTU sessions were about to begin and he wanted to be there. A plane charter was too much—$900. The fastest and least expensive way was to rent a chauffeur-driven limousine, he discovered. A big Chrysler with jump seats was found and the six travelers plus driver jammed themselves into the car and left Zurich at 4 p. m. They drove all night with two stops—once for dinner and once at midnight for a beer and snack—with Meany in front, roadmaps out, discussing with the English-speaking chauffeur the best nonmountainous route to Vienna.

They arrived at 6:15 the next morning. After checking in at the United States-occupied Bristol Hotel, Meany ran into Irving Brown, AFL representative in Europe who had been substituting for him on the ICFTU Executive Board. A quick breakfast conference fill-in ensued, then Meany went off to church, returned at 8 o'clock, grabbed 4 hours sleep and by early afternoon had convened a meeting of the North American delegation to the biennial ICFTU conclave.

It is quite likely that if a member of Meany's old Bronx plumbers' local were to hear this narrative, he'd probably wonder what all the scramble was to get to a labor conference several thousands of miles away from the Yankee Stadium. It's quite likely that members of other AFL and CIO unions reading in their labor papers that Dave Dubinsky, Jack Potofsky, Dave MacDonald, Jack Knight, Charley MacGowan, Victor Reuther, James B. Carey, Dave Beck and others were assembling in Vienna, would muse about the joys of being a traveling union official and sardonically ask: Is this trip necessary?

They should have seen their union chiefs at work here these past 10 days. While conventions are conventions, the ICFTU conference is incredibly different from the usual American union convention. Everything at the ICFTU sessions is in four official languages—English, French, Spanish and German. At plenary sessions, delegates are equipped with portable radio receivers and earphones and there is simultaneous interpretations of speeches. But in committee rooms, where major give-and-take discussions take place, translation is consecutive for technical reasons, and, since not every interpreter can handle four languages, it means long delays when a Spanish-speaking delegate takes the floor. First comes the translation into English while the German and French interpreters listen (they know no Spanish), and then they translate for committee members who know neither Spanish nor English.

All this narrative is intended to demonstrate the growing and determined and patient absorption in international free trade unionism which today possesses American trade union leaders. The ICFTU executive board is a place where Meany's vote is the equal of the vote of the colorfully-garbed member from the Gold Coast or the schoolmaster turned unionist from India and everybody gets his say in four languages. It is this dedication to free trade unionism by American labor leaders which is transforming the ICFTU into a militant and increasingly influential force in world affairs.

The close rapport between the AFL and CIO throughout the conference, a harbinger of their certain merger December 5, was striking. It meant a vast spurt in influence of American labor in a field where traditionally it had been apathetic.

The 6-year-old ICFTU is today in business to stay after a rather rocky infancy. It has teeth now, as the Communist World Federation of Trade Unions, whose headquarters in this anti-Communist city resemble a mausoleum, has discovered. What is more important is that American labor at this congress demonstrated a maturity and political sagacity which made it the No. 1 delegation. The hard-core anticommunism of American labor was demonstrated in resolution after resolution, and in the kind of actions that were taken.

It was the United States delegation which insisted that a worldwide organizing campaign be undertaken by the ICFTU in underdeveloped areas of the world where a belated industrial revolution is creating a landless proletariat without any trade union protection against low wages, long hours, and job insecurity. The congress voted unanimously to create the post of director of organization. Meany and representatives of the British Trade Union Congress and of Pakistan labor were named as a subcommittee to hunt and are now hunting for the man to fill the job.

When the question of money to finance this organizing campaign arose, the North American delegation and the British obtained congressional action for per capita increases so that about $500,000 will be available by next year. Money, muscle, and know-how is what United States labor pledged to provide in return for action.

Politically, the United States delegation successfully pressed for an uncompromising line against totalitarianism—the Tito and Franco variety as well as the more durable Moscow version. It helped bring about support for rearmament among some West European labor leaders, commemoration of the June 17, 1953, uprising of East German workers, and a warning to ICFTU affiliated groups which had accepted Tito unions as members.

Let me be clear. It was not an American labor steamroller. It was not a pax—or bellum—Americana. It was the dynamic influence plus intelligent diplomacy of United States and Canadian labor leaders, representing 16 million workers, which put the delegation in the top slot. That plus the fact that men like Meany, Potofsky, Dubinsky, Brown, Michael Ross, Jay Lovestone, and others had done their homework and knew what they were about.

It is easy to get overenthusiastic about American labor abroad. After all, interest in this aspect of trade unionism as far as American workers are concerned is something new in the United States and old in countries like Great Britain, Germany, or France, where Socialist International traditions are more than a memory. The real test of any enthusiasm for what has been accomplished at the ICFTU Congress will be whether the American delegates return to forget their pledges because of more pressing domestic problems (this is what some veteran observers sardonically prophesy), or whether Meany's assurance, "We're here to stay," is fully implemented. My prediction is that during the next 2 years, the century-old international labor movement will find American unionism far more active than ever before.

The practical problem is trained manpower in a field where American labor participation in the past has been slight. For example, there are few linguists in United States labor, an area of knowledge which is important in international work. British labor,

with its far-flung dominion interests and moral dilemmas over colonialism, has such manpower resources. That is why several United States delegates here have already begun thinking about setting up some kind of academy to train youthful American labor officials, on the business agent level, to go out into Asia or Africa to do the important grass-roots organizing work under the ICFTU banner.

And to conclude this travel report of United States labor leaders—Meany, by the time this is published, will have had a Papal audience, conferred with Italy's President Gronchi and Premier Scelba, Chancellor Adenauer, Erich Ollenhauer and German labor leaders, Foreign Minister Pinay and General Gruenther in Paris; Dubinsky is in Israel as the honored guest of Histadrut; Potofsky is in Geneva at the ILO meeting along with Mike Ross of the CIO; Mike Quill is in Eire, not only to taste the ould sod but to talk ICFTU to Irish labor; and the only reason some other top leaders aren't in Europe is because there are sticky negotiations underway in steel, auto and electrical manufacturing.

And, if any United States union member asks what good all this is doing him, the answer he'll get is, "Brother, if we don't do this job with the ICFTU, the Commies will do it for us."

THE HOME FRONT

(By William E. Bohn)

DEBS, GOMPERS, AND THE UNIONS

On May 23, I undertook a rapid-fire commentary on the history of American trade unionism. I sketched the AFL and CIO in terms of their most conspicuous leaders. The men who led these organizations were, of course, Samuel Gompers, William Green, George Meany, John L. Lewis, Philip Murray, and Walter Reuther. The main struggle of these men was, of course, against the employers, who, for most of the time, did their best to prevent the organization of the working class. But I mentioned, too, another struggle which they carried on against other enemies who attacked from the rear. In this list I included Daniel De Leon, William D. Haywood, Eugene V. Debs, and William Z. Foster.

I knew that when I included the beloved Debs in this unpleasant lineup I was asking for trouble. And very promptly it came. Pierre DeNio writes me from Rock Rift, N. Y.:

"How can you mention Debs in the same day with those other men? Debs was a kind, gentle man who gave his life to the working men and women of America. He never asked them to do anything that was not for the best interests of everyone. More than that, he never asked them to do what he would not himself do first. * * *

"Of course, Gompers did a great job as far as he was able to understand the needs. He did it at a time when it had to be done if the workers were to escape literal slavery. * * * The harm that Gompers did, along with the good, came from his very early planting in the minds of labor men the notion * * * that they should under no circumstances have anything to do with politics. That became an obsession which still holds too strongly to this day. * * *

"Whenever labor was strong enough on the industrial field to force some concession from the employers, these latter had only to go to Washington to the very men labor had elected to office and get a law passed that would wipe out * * * the dearly bought benefits. Under his leadership, we rewarded our enemies and punished our friends. * * *

"The only thing that ever swung the labor movement away from Gomper's position was the depression beginning in 1929. Then came Roosevelt and Wagner. We soon had the Wagner Act giving us the right to organize, and various sorts of social legislation. Then and only then * * * union members saw that politics was a must if they wished to survive.

"Really, what did the AFL amount to at that time? A couple of million members of whom the great unwashed had never heard. Today, because of political action—and that alone—we have our powerful and somewhat enlightened membership. Most of the leaders who today guide the labor movement got their education and perspective in the old Socialist movement. Roosevelt told Frances Perkins in the first days of the New Deal that they would have to do something quick to relieve the distress or the Socialists would take over.

"Think what labor has gone through during the years you mention. They have spent millions of hard-earned dollars and shed much blood during strikes and lockouts. Invariably they have been beaten, reviled, and jailed by the very officers whom they have put into office. Mr. Gompers told them that they would get into trouble if they had anything to do with politics. Of this you may rest assured. Until the working people of this country elect men of their own, they will get stringent antilabor laws."

Let us take Mr. DeNio's second point first. He asserts with heat that Samuel Gompers told his members to stay out of politics. Gompers, of course, did nothing of the sort. He fought like a tiger against allowing any political clique to take charge of his federation. But he urged his people to get into political campaigns. It was largely through his efforts that Woodrow Wilson was elected—and that victory gave us our first new deal. When the trade-union men of a later day voted for Roosevelt and stood by him they were following the precepts of their old leader. What Gompers was against was third partyism. His instinct for politics was deep and true.

But I feel sure the honor of receiving this letter came to me because of my mention of Eugene V. Debs. I wish I had space for a discussion of Debs' impact on the labor movement. This man, whom I knew well, had all of the good qualities with which my correspondent has endowed him—and many more. He had romantic courage. He was willing to die for the working class. He did go to jail for it. He had every great quality but good judgment. In organizing the American Railway Union and going into the Pullman strike, he led his followers up a blind alley. In the end he was adored by men whom he left out in the wilderness without jobs or organization. During all of this time he was denouncing the Railway Brotherhoods and the AFL, and in the end it was these comparatively conservative organizations which have really served the needs of the American workingman and have brought him along on the road to a better day.

EXTENSION OF DRAFT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 554, H. R. 3005.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 3005) to further amend the Universal Military Training and Service Act by extending the authority to induct certain individuals, and to extend the benefits under the Dependents Assistance Act of July 1, 1959.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment.

Mr. RUSSELL. Mr. President, the pending business comes before the Senate by way of a majority report of the Committee on Armed Services, and it proposes to extend the regular draft and the so-called doctor draft. This is the fourth time since V–J Day the Senate has been compelled to direct its attention to such legislation and to certain provisions of law which are an integral part of the entire defense structure. I am sure it is unnecessary for me to say to the Members of the Senate that unless the measure is enacted, the authority to induct regular registrants as well as the authority to induct special registrants will expire on the 30th day of this month.

The administration has strongly urged that the regular draft be extended for a period of 4 years and the doctor draft for a period of 2 years.

It would serve no useful purpose for me to reiterate at this time on the floor of the Senate statements which have been made here repeatedly as we have considered extending the draft act. I doubt that I could say anything which has not been said on previous occasions. We have all come to recognize that the regular draft is the keystone of the arch of our national defense. Without it our entire defense structure would fall. Senators should not delude themselves with reference to the number of men who might be drafted each month. The fact that the draft is on the books has caused young men who desired to select their own branch of the service, voluntarily, in unprecedented numbers, to fill up the ranks without its being necessary to draft large numbers.

I invite the attention of the Senate to the fact that the bill as amended by the Armed Services Committee provides for a 4-year extension of the regular draft. We likewise extend for 4 years the Dependents Assistance Act and the $100 monthly incentive pay for doctors. The bill likewise provides for a 2-year extension of the doctor draft.

Mr. President, if world conditions should remain as they are today the Senate will unfortunately be called upon in future days again to consider the extension of this measure. If we are to maintain a force of nearly 3 million men for from 10 to 20 years, or for whatever period the cold war makes it necessary to maintain our forces to protect our institutions, I would not have the people of the United States understand that because we are exending the draft for 4 years they should consider that there is not likely to be another extension in 1959.

Similarly, Mr. President, I cannot definitely assure the Senate that the doctor draft will not require further extension in 1957. I do not believe a single Member of this body is willing to take a chance on denying adequate medical and dental care to the boys we are drafting into our armed services.

In the committee hearings we demanded on the part of those who opposed the extension of the doctor draft the most unequivocal guaranty that adequate and skilled medical and dental

care would be available. Witnesses who appeared before the committee in opposition to the extension of the draft were told by members of the committee that we could not go before the Senate and recommend that the doctor draft be ended unless we had the most unequivocal assurance and the most clearcut evidence that sufficient doctors would be available without a draft.

A reading of the record of the hearings before the committee will show that the doctors themselves were divided in their opinion on that score. Representatives of groups of doctors, all of whom were members of the American Medical Association, testified strongly in favor of the extension of the doctor draft and advised the Senate and the Congress not to take any chances by permitting it to expire.

So, Mr. President, I, for one, feel that before it will be willing to see the so-called doctor draft expire, Congress will insist upon having not only assurances but definite evidence that the men we take from their homes into the military service will not suffer for lack of medical care.

Mr. President, there are several collateral subjects dealt with in the bill which are of perhaps lesser importance than the basic proposition, but concerning which I feel it is appropriate to comment briefly so that the Members of the Senate may be fully informed.

In the first place, Mr. President, the bill amends existing law with respect to the manner of determining agricultural deferments. Under current presidential regulations, local boards consider all facts concerning a registrant's essentiality to agriculture, including the total supply of a particular crop.

The bill as it came to us and as we bring it to the Senate provides that the status of an agricultural commodity may not be taken into consideration, either for denying or granting deferments.

Next, Mr. President, the bill reduces from 35 to 30 the cut-off age for induction liability of the National Guard men. A number of Senators have discussed this provision of the bill with me, and I know it has been the subject of a number of communications with Members of this body. Under the law as it stands today, with the 1951 amendments to the Selective Service Act, a young man who enlisted in the National Guard prior to attaining age 18½, and who has served satisfactorily, would be deferred from induction into the regular Armed Forces.

The bill as it came to us from the House reduced the age from 35 to 26. The committee, after considering all phases of the matter, fixed the age at 30, primarily, I may say, for the reason that we did not think a National Guard man, essential as he is to the defense of our country, patriotic as he is in his desire to serve, should be allowed the same period as a man who goes into the Air Force or the Navy for 4 years or into the Marine Corps for 3 years, or into the Army for 2 years. We felt that National Guard men should not have a shorter period of service than men who are compelled to leave their homes and go away for 4 years of military service. The age of 30 is a compromise between the existing law providing for 35 and the House bill providing for 26.

Another provision of the bill deals with physicians and dentists who apply for commissions, but who are rejected solely because they are physically disqualified. The bill proposes that beginning July 1, 1955, a person who applies for a commission as physician, dentist, or allied specialist, but who is rejected on the sole ground of physical disqualification, shall not be liable for induction after he attains the age of 35.

I should like to point out that, as written, the language is quite restrictive, inasmuch as it covers only persons who apply hereafter for commissions; and they must apply as physicians, dentists, or allied specialists.

Another provision of the bill deals with a problem which I feel certain all Members of the Senate have found to be most perplexing. Oftentimes individuals have been inducted into the service or have voluntarily enlisted at some time during the past 8 or 10 years, and have served for less than the 2-year minimum draft period. Such individuals served in good faith, and in most cases they assumed, when they were discharged before the 24 months had expired, that they had done what their country had asked them to do.

However, since the present law provides no specific minimum under 2 years, these young men have in numerous cases been inducted for a second time into the Armed Forces.

The committee felt that this situation should be clarified. The bill which has been reported provides that a man who has been discharged after having served honorably for a period of not less than 12 months, or one who has served for a period of 6 months or more, but who has been discharged purely for the convenience of the Government, shall thereafter be exempt from induction or reinduction, except in time of war or national emergency.

The bill deals, likewise, with several collateral problems which relate to credit for prior military service or previous nonmilitary activity in programs essential to the national welfare.

Under the existing law, nationals of those nations which were allied to the United States during World War II receive credit for their military service in computing eligibility or exemption from our own draft on the ground of prior military service if such service occurred before June 24, 1948. This covers our hot-war allies.

The committee felt that it was reasonable to permit young men who served for a specific time with a nation associated with the United States in mutual defense activities to be exempt from induction, so far as it does not discriminate against persons who served with our own Armed Forces.

For that reason, at the instance of the Department of State, the bill provides, but only on a reciprocal basis, that any alien national in this country who had served at least 18 months since June 24, 1948, on active duty in the armed forces of a nation associated with the United States in mutual defense activities shall be exempt from induction into our Armed Forces. In computing this 18-month period, service prior to June 24, 1948, may be counted where performed in the armed services of a country allied with the United States during World War II, and currently associated with us in mutual defense activities.

Finally, the committee has taken cognizance of the fact that although the bill amends the present law to provide that a young man who served 12 months in our Armed Forces shall not be liable for induction or reinduction. the House version of the bill did not provide any form of credit for service in the Public Health Service and the Coast and Geodetic Survey. Nor did it take into account those Reserve officers who serve with the Department of Agriculture in the vitally important programs currently being carried out by that Department. To correct that situation, the bill now under consideration provides that a commissioned officer who served for 24 months or more in these programs, all of which are so intimately related to our welfare and security, shall not then or subsequently be liable for induction.

It should be noted, however, that these persons all occupy commissioned status, and may be ordered to active military service in time of war or national emergency.

I deem it unnecessary, Mr. President, to labor the Senate with the cold facts of international relations today, which make it absolutely essential that we give our approval to the extension of this all-important measure. Those conditions are evident to all of us.

There may be times of hardship. It is impossible to deal with as many human beings as are caught in the draft without there being some injustices, yea, even discriminations; but, after all, we have a common stake and a common purpose to make certain that our Nation remains free. Without remaining strong, we cannot remain free. Experience has taught us that without extending the Selective Service Act, we cannot remain strong.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Utah.

Mr. BENNETT. During the hearings on the draft law, the junior Senator from Utah indicated that, if necessary, he would propose an amendment to section 16 (g) of the Universal Military Training and Service Act, as amended, for the purpose of clarifying the exempt status of those persons called to serve as ministers of the Church of Jesus Christ of Latter-day Saints—Mormon—assigned to serve in the missions of the church. The reason for my concern was that although selective service has always considered that the young men of this church, who are ordained as ministers and assigned to serve in the missions of the church, were within the definition of "ministers of religion" as defined in section 16 (g) of the act, some local boards and State administrators have failed to recognize the IV–D status of these ministers, and in those cases the Director has had to rely on appeal procedure in order to get the proper classification.

I was happy to note the committee's recognition of this problem on page 12 of the report on this bill, which I should like to read into the RECORD at this time:

The junior Senator from Utah, the Honorable WALLACE F. BENNETT, appeared before the committee in connection with a possible amendment to section 16 (g) (1) of the Universal Military Training and Service Act to specifically insure the exemption of those persons called as ordained ministers of the Church of Jesus Christ of Latter-day Saints (Mormon) and assigned to serve in the missions of the church. Assurances are given in writing by the Director of Selective Service to the Senator from Utah reflected that such amendment was unnecessary inasmuch as Selective Service considers that these individuals are already entitled to IV–D classification under existing law. The letter referred to and a letter from the Assistant Secretary of Defense for Manpower and Personnel appear in the printed hearings.

From this report I would judge that the committee has taken cognizance of the fact that General Hershey considers any clarifying amendment unnecessary inasmuch as these ministers are in fact already entitled to IV–D status under existing law, and that the committee shares this belief.

I should like to ask the Senator if he can confirm my interpretation of the committee report.

Mr. RUSSELL. I am glad to do so; but I think the clear statement in the committee report confirms it on behalf of the entire committee. The matter was discussed and was subject to hearing. General Hershey strongly supported the position taken by the junior Senator from Utah. The committee undertook to do so in the language of the report which the Senator from Utah has just read.

Mr. BENNETT. I appreciate the opportunity to transfer that interpretation to the RECORD on the floor of the Senate, with the assistance of my colleague, the distinguished Senator from Georgia. I am grateful for the privilege.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I am glad to yield to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. Mr. President, is it appropriate at this time to offer an amendment?

The PRESIDING OFFICER. The clerk will first state the committee amendment.

The LEGISLATIVE CLERK. It is proposed by the committee to strike out all after the enacting clause and insert:

That this act may be cited as the "1955 Amendments to the Universal Military Training and Service Act."

TITLE I

SEC. 101. (a) Subsection (a) of section 6 of the Universal Military Training and Service Act, as amended, is amended (1) by inserting immediately after "Secretary of Defense;" the following: "members of the reserve components of the Armed Forces, while employed as veterinarians of the United States Department of Agriculture;" and (2) by inserting at the end thereof the following new sentence: "Any person who subsequent to June 24, 1948, serves on active duty for a period of not less than 18 months in the armed forces of a nation with which the United States is associated in mutual defense activities as defined by the President, may be exempted from training and service, but not from registration, in accordance with regulations prescribed by the President, except that no such exemption shall be granted to any person who is a national of a country which does not grant reciprocal privileges to citizens of the United States: *Provided*, That any active duty performed prior to June 24, 1948, by a person in the armed forces of a country allied with the United States during World War II and with which the United States is associated in such mutual defense activities, shall be credited in the computation of such 18-month period."

(b) Subsection (b) of such section is amended (1) by amending paragraph (3) to read as follows:

"(3) Except as provided in section 4 (i) of this act, and notwithstanding any other provision of this act, no person who (A) has served honorably on active duty after September 16, 1940, for a period of not less than 1 year in the Army, the Air Force, the Navy, the Marine Corps, or the Coast Guard, or (B) subsequent to September 16, 1940, was discharged for the convenience of the Government after having served honorably on active duty for a period of not less than 6 months in the Army, the Air Force, the Navy, the Marine Corps, or the Coast Guard, or (C) has served for a period of not less than 24 months (i) in the Public Health Service or (ii) as a commissioned officer in the Coast and Geodetic Survey, shall be liable for induction for training and service under this act, except after a declaration of war or national emergency made by the Congress subsequent to the date of enactment of this title.",

and (2) by adding at the end of such subsection the following new paragraph:

"(6) Notwithstanding any other provision of this act, no member of any of the Reserve components who has been employed as a veterinarian by the United States Department of Agriculture for a period of 24 months from and after the date of enactment of this paragraph shall be liable for induction for training and service under this title, except after a declaration of war or national emergency made by the Congress subsequent to the date of enactment of this title."

(c) Subsection (c) (2) (A) of such section is amended by inserting at the end thereof the following new sentence: "No person who has or may be deferred under the provisions of this clause shall by reason of such deferment be liable for training and service in the Armed Forces by reason of the provisions of subsection (h) hereof after he has attained the 30th anniversary of the date of his birth."

(d) Subsection (h) of such section is amended by inserting immediately after *"Provided further,"* the following: "That the existence of a shortage or a surplus of any agricultural commodity shall not be considered in determining the deferment of any individual on the grounds that his employment in agriculture is necessary to the maintenance of the national health, safety, or interest: *And provided further,"*.

SEC. 102. Section 17 (c) of the Universal Military Training and Service Act, as amended, is amended by striking out "July 1, 1955" wherever such date appears therein and inserting in lieu thereof "July 1, 1959."

SEC. 103. Section 16 of the Dependents Assistance Act of 1950, as amended, is amended by striking out "July 1, 1955" wherever such date appears therein and inserting in lieu thereof "July 1, 1959."

TITLE II

SEC. 201. Sections 4 and 7 of the act entitled "An act to amend the Selective Service Act of 1948, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes", approved September 9, 1950 (64 Stat. 826), as amended, are amended by striking out "July 1, 1955" wherever such date appears therein and inserting in lieu thereof "July 1, 1957."

SEC. 202. The last sentence of paragraph (1) of section 4 (i) of the Universal Military Training and Service Act, as amended, is amended by inserting immediately after the word "subsection" the following: "(A) after he has attained the 35th anniversary of the date of his birth, if subsequent to July 1, 1955, he applies for a commission in one of the Armed Forces in any of such categories and is rejected for such commission on the sole ground of a physical disqualification, or (B)."

SEC. 203. Section 203 of the Career Compensation Act of 1949 (63 Stat. 809), as amended, is amended by striking out "July 1, 1955" wherever it appears therein and inserting in lieu thereof "July 1, 1959."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. MARTIN of Pennsylvania. Mr. President, I offer an amendment on page 6, line 3, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Pennsylvania.

The LEGISLATIVE CLERK. In the committee amendment on page 6, line 3, it is proposed to strike out "thirtieth" and insert in lieu thereof "twenty-eighth."

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The question is on agreeing to the amendment of the Senator from Pennsylvania to the committee amendment.

Mr. MARTIN of Pennsylvania. Mr. President, if the Senator from Georgia will yield for a moment, I should like to make a comment.

Mr. RUSSELL. I am glad to yield.

Mr. MARTIN of Pennsylvania. The amendment is offered for the purpose of aiding the National Guard. I think one of the most important factors in America's plan of national defense is a strong National Guard and a strong Reserve. With the 35-year age limit, it was most difficult to get recruits for the National Guard, and I think the Reserve has also had its difficulties.

I would like to have seen the age made 26, but the committee has given this question very careful consideration, and the members feel that would be too low an age.

National defense in America is going to cost enormous amounts of money for many years in the future. Personally, I should like to see us in the United States have the courage to provide for universal military training, under a plan whereby after spending a certain amount of time in the Regular Army, a man would have no further obligation, and after spending a certain amount of time in the National Guard or Reserve, he would have completed his obligation. In my judgment, that would be the fair thing to do. I think the idea of universal military training is American. Everyone would thus have an equal obligation to the United States of America. But it seems as if we are not ready as yet to adopt universal military training.

I appreciate very much the distinguished Senator from Georgia's accepting the amendment. I sincerely hope

we will be able to get a provision along this line when the bill goes to conference.

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. RUSSELL. I wish to advert briefly to the remarks of the Senator from Pennsylvania and to the amendment he has proposed.

This is a difficult problem, and I am well aware of the practical aspects of it. I have always earnestly supported the National Guard. I think it is a vital element in our national defense picture. Personally, I think the age of 30 is about fair in connection with the Regular service which a man is called upon to render with a liability of 8 years, and the possibility of being required to leave his home for 4 years and go off to a foreign land.

Certain members of the committee were concerned about the question, and thought the age of 30 was too high. I think this amendment will be agreeable to the committee. I know it will be agreeable to the members of the committee with whom I have discussed the question to accept the amendment offered by the Senator from Pennsylvania, who made for himself a very fine record in the National Guard, up to the rank of general.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Oregon.

Mr. NEUBERGER. I thank the distinguished chairman of the committee for his openmindedness on this question, because I have had many communications from the commanding general of the Oregon National Guard, Maj. Gen. Thomas E. Rilea, who said, in a telegram, that if the limit of liability age were left at 30, it would make it difficult, if not impossible, to obtain enlistments, in view of currently reduced draft quotas.

I know I speak for him and the other members of the National Guard, and I thank the chairman of the Committee on Armed Services for agreeing to the amendment offered by the distinguished Senator from Pennsylvania.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I simply wish to endorse what the chairman of the committee has said. I, too, shall agree to accept the amendment changing the age to 28. Perhaps that age is fairer when we take into consideration the problems the National Guard may face in getting volunteers to serve, if the liability or responsibility is for 10 years.

Mr. CARLSON. Mr. President, will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield to the Senator from Kansas.

Mr. CARLSON. I also wish to express my appreciation to the distinguished Senator from Georgia, the chairman of the committee. I have discussed with him previously the question of the effect on the National Guard of the extension of the Draft Act, with particular reference to the age of enrollees. The adjutant general of Kansas has expressed concern over the problem. As one interested in the National Guard, I wish to assure the Senator from Georgia that I am glad he has accepted the amendment of the Senator from Pennsylvania.

Mr. CASE of South Dakota. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from South Dakota, who is an able and active members of the Committee on Armed Services.

Mr. CASE of South Dakota. I, too, am glad to see the amendment of the Senator from Pennsylvania accepted, because it goes in the direction which I took in the committee when we were working on the matter. However, I think it points up the fact that we need to look at the age limit in the whole field of draft liability.

I may first say that I have never served under any chairman of any committees in the Senate for whom I have greater respect than I have for the distinguished Senator from Georgia [Mr. RUSSELL], and the distinguished Senator Senator from Massachusetts [Mr. SALTONSTALL], who was his predecessor as chairman of the Committee on Armed Services.

Mr. RUSSELL. I thank the Senator from South Dakota.

Mr. CASE of South Dakota. I certainly have been glad to have had the benefit of their wisdom and their judicious observations when it comes to dealing with matters which arise in the Armed Services Committee. We are correcting what I feel has been a defect which has developed in the operation of selective service with respect to the National Guard. I regret we are not attempting similar action with regard to the age of liability for selective service generally. I say that because I have the feeling that we are injuring the national service in respect to men who have engineering degrees and men who are associated with industry in important positions today by continuing the age of liability to 35 for those who have had deferment.

One might say we are taking the relatively easy course in simply making an extension of the draft. That is my conviction. The people of the country hardly realize that the manpower pool for the draft has grown at the rate which it has because of the increased birth rate in this country.

I have figures before me which indicate the number of boys who have become or who will become of draft age in each year from 1950 to 1960.

In 1950 the number of boys who became of draft age was 1,070,000.
In 1951 it was 1,040,000.
In 1952 it was 1,060,000.
In 1953, it was 1,090,000.
In 1954, it was 1,120,000.
In 1955, it will be 1,130,000.
In 1956, it will be 1,150,000.
In 1957, it will be 1,190,000.
In 1958, it will be 1,200,000.
In 1959, it will be 1,220,000.
In 1960, it will be 1,290,000.

One result of the increased birth rate is that we are having a manpower pool for the draft which is far in excess of the requirements of the service.

Today we were told by Dr. Howard A. Meyerhoff, who is Executive Director of the Scientific Manpower Commission, that 1,500,000 boys are in the military manpower pool awaiting physical examination or induction. That might be cause for congratulation from one standpoint, but it should be realized that with draft pools running only 10,000 a month, we are deferring a great many men, and by extending service liability to age 35 we are creating a prolonged period of uncertainty for men in the ages from 26 to 35, including a great many men who are engaged in the engineering and the scientific fields.

If there is one thing which must impress itself on anyone who has studied manpower problems, it is that today the great shortage of manpower and the great need for manpower are in the engineering and scientific fields. One has only to read the Sunday newspapers and look at the classified section to see the lengths to which engineering companies are going to attract young men.

I said to the committee that a few days ago there was in my office a young man who had just finished college. He told me that the lowest salary offered to him, now that he has a bachelor's degree in engineering, was $5,400, and that he had been canvassed by the representatives of several engineering firms who, in addition to offering him a salary of $5,400 a year, were offering him membership in a country club, a month's vacation, promises of travel, and many other things, if he would sign up with their companies.

The other day I also saw figures indicating that the engineers are at the top of the list, in terms of the offers being made to college graduates this year.

Dr. Meyerhoff, who appeared before the committee as a representative of the Manpower Commission, told us that in 1954, 54,000 engineers were graduated in Soviet Russia, whereas in the same year a little more than 19,000 engineers were graduated from accredited institutions in the United States. Furthermore, Dr. Meyerhoff pointed out that about 4,300 engineers were graduated in the United States in all fields of science, whereas the Soviet equivalent was from 7,400 to 7,500.

Even those figures do not tell the whole story, because in scientific fields we are using engineers for the construction of highways. Approximately 32,000 additional engineers will be required for the highway program the Senate already has endorsed. In addition, trained engineers are required for the construction of television sets, automobiles, and many other articles.

So the graduate pool of engineers in the United States has many other demands made upon it, in addition to the demands for engineers for the production of airplanes and electronic devices of one kind or another.

I feel very definitely that in failing to establish a new cutoff date for men who have liability for military service, we are adding to the uncertainty of those who are in the engineering field, and are handicapping ourselves.

At one point in the testimony given to the committee, I noticed figures showing that approximately 32 percent of the men between the ages of 26 and 35, who are employed for their engineering talents by various production firms in the United States, still have draft liability. I recognize that the easy argument is, "Well, they were deferred because they were in college or because they were necessary to some particular activity or industry." But the continued extension of draft liability up to age 35 is, I feel, a mistake, when we do not make some directive to guide the Selective Service Boards and the Director of the Selective Service System, so as to insure the availability of these young men for scientific pursuits or for the engineering vocations to which they have committed themselves.

The Director of the Scientific Manpower Commission suggested an amendment which would establish a cutoff date of, I think, 26 years of age, if I correctly remember the amendment. I was sorry the committee did not see fit to adopt the amendment I offered for that purpose.

I recognize that on the floor of the Senate, when the committee to which a measure of this kind has been referred, fails to report an amendment dealing with a subject which has so many ramifications as this one does, it is practically impossible to have such an amendment adopted, particularly at 7:15 in the evening, when many Members are not available to consider it.

Therefore, Mr. President, I have decided not to offer an amendment at this time. But I wish to make the very definite assertion that it is the responsibility of the Congress to examine the age limits—both the lower limit and the upper limit—and to consider the matter in the light of the need for greater assurance that these men can be exempted, so they will abe to take engineering courses and, after having taken them, will be available for industry and for engineering pursuits.

I wish to express the hope that if the Armed Services Committee takes up the proposals for a Reserve program, it will broaden its inquiry and make a real examination of the entire manpower problem. The legislative situation being what it is, Mr. President, I doubt that we shall be able, before adjourning in the latter part of July, to give this subject the consideration it should receive. But certainly it should be explored fully and completely; and before the 84th Congress completes its work, I hope we can present to the Congress a comprehensive manpower bill, not merely dealing with a simple extension of selective service, but also giving consideration to the needs of the country for scientifically trained men, for engineers, and having due regard for the civil economy, along with the military manpower needs.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, the statement made by Dr. Howard A. Meyerhoff, executive director of the Scientific Manpower Commission, on behalf of the Engineering Manpower Commission of the Engineers Joint Council and the Scientific Manpower Commission, when he appeared before the Senate Committee on Armed Services on June 9, 1955.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

My name is Howard A. Meyerhoff. I am a geologist by profession, but at present I am serving as Executive Director of the Scientific Manpower Commission. This statement is being made on behalf of the Commission and also on behalf of our companion organization, the Engineering Manpower Commission of Engineers Joint Council. These two groups have a combined membership of approximately 340,000 persons, which are the backbone, and represent a substantial fraction of, the engineering and scientific community of the United States. Attached to our testimony are folders that list the constituent societies and describe the work of the two Commissions.

We are firmly convinced that the military strength of the United States must be maintained, and that its maintenance depends upon an adequately manned, active Military Establishment, and upon a Ready Reserve of sufficient size to meet any emergency that may confront us. These two requirements are, in our judgment, inseparable, and we regret that the legislation under consideration in these hearings deals with only one—the assurance of an adequate regular Military Establishment through the extension of the regular draft.

Although we heartily agree that the present law (cited as the Universal Military Training and Service Act) must be extended, we believe it should be extended with modifications that take full cognizance of the changes that have occurred since its original passage in 1948 and its extension, with amendments, in 1950 and 1951. In the latter years the Nation was involved in armed conflict, and it was also confronted with a shortage of military manpower. During the 4 years that have since elapsed both these conditions have changed, and the statistical data that have been incorporated in Committee Print No. 1, which was prepared for the use of this committee in considering H. R. 3005 and H. R. 6057, reveal a current situation which, in our judgment, will preclude the simple extension of a draft law that was adapted to conditions existing 4 years ago. Now, for example, there are more than 1,500,000 men in the military manpower pool awaiting physical examination or induction. Within a single year the numbers of available personnel have increased by 450,000. The age of induction has risen from the statutory 18.5 to 21.5; and if the law is merely extended, without taking this growing surplus into consideration, the age of induction would be well in excess of 24 years before the expiration of the act on July 1, 1959.

The present law also imposes a special liability upon certain groups of men. It provides (in sec. 6 (h)) "that persons who are or may be deferred under the provisions of this section shall remain liable for training and service in the Armed Forces or for training in the National Security Training Corps under the provisions of section 4 (a) of this act until the 35th anniversary of the date of their birth." Let us see upon whom this special liability falls: First of all, it falls upon those persons who are engaged in agricultural pursuits and who, to meet the exacting demands of farming even for a single season, have sought deferment; second, it hits those teachers, skilled laborers, scientists, engineers, and administrators whose services were found to be so indispensable that their employers sought and obtained deferment for them; third, it falls upon those young men who, while waiting for a long-delayed induction call, made good use of their time by continuing their studies and who sought to complete their university work through deferment rather than have it interrupted at an inopportune time by military service.

If he is questioned on the subject, General Hershey will, I am sure, tell you that it is absolutely impossible, under the present law, for all physically and mentally fit young men to serve because there are so many more than our Armed Forces can utilize. Each month 46,000 young men reach military age and the number is going up. Even with the abnormally high physical and mental standards that are being applied by the Armed Forces, only 12,000 of these 46,000 will be classified as IV–F. Of the remaining 34,000, only 10,000 per month are being called to service under the law, and even if generous allowance is made for the numbers of volunteers to the several branches of the service a substantial surplus is being added to the unutilized pool of military manpower each month. Under this law, then, more than a quarter of our men are being exempted for physical and mental reasons and an equal number will escape service because they are in excess of military requirements. The surplus will, moreover, increase rapidly with each successive year.

Yet, in the face of this paradoxical situation, the farmers, the skilled laborers, the engineers, the scientists, the teachers, and the students—the very people we may need more urgently elsewhere—are marked for service and are held liable for 9 years longer than those young men who are deemed to have no special qualifications for deferment. Gentlemen, in this respect, the law inadvertently has become highly discriminatory and exceedingly dangerous if we are to preserve our economic and industrial supremacy.

This committee is no less concerned with the adequacy of our technological defenses than are the engineering and scientific manpower commissions. In fact, in 1951 this committee had the foresight to point to the urgent and continuing need to preserve and to build up our technological strength. It stressed this need in title 1, section 1, of the Universal Military Training and Service Act. Unfortunately, our technological manpower is now in far more precarious position than is our military manpower. There is an acute shortage of the former and an embarrassing surplus of the latter.

At the moment we are not engaged in any military struggle, though we must remain prepared for one. On the other hand, we are engaged in a technological struggle in which our slight lead is seriously threatened. The severe manpower limitations under which we are working can readily be demonstrated: Our universities report that for each engineer and scientist graduated this month there are five jobs available. Beginning salaries have again increased and are at an all-time high for technologically trained men. Just Tuesday of this week I heard Mr. Kaufman, of the Atomic Energy Commission, report that, if the applications of atomic energy are to proceed at an optimum rate, 40,000 additional scientists and engineers will be required by the AEC and by industry within the next 2 years. Yet, the total 2-year output of our colleges and universities in all fields of science and engineering will be a scant 60,000, to be distributed among industry, education, and government. In studying President Eisenhower's roadbuilding program, highway engineers discovered that it will require 32,000 more civil engineers than exist.

Information in the Commission's files provides some interesting facts about many companies that are engaged in military research, development, and production. One

of these companies has 14,000 employees, of which 1,286 are engineers or scientists. The average age of these 1,286 specialists is 32, and 380, or 29 percent of them, have a military obligation. Another company, with 13,317 employees, has 1,098 scientists and engineers of average age 30. Of these, 350, or 32 percent, have military obligations. Still a third, with 18,000 on its payroll, has 2,143 scientists and engineers of average age 30.2. Of the latter, 503, or 23 percent, have military obligations—and this company is 98 percent occupied on defense electronic work. The current annual report of the Republic Aviation Corp. reveals graphically the extent to which research requirements in defense industries have increased. In 1940 it required 17,000 engineering man-hours to develop a military airplane. In 1955 a modern jet fighter required 1,380,000 engineering man-hours for its development; and the company predicts, from designs already on its drawing boards, that this figure will increase to 2,150,000 man-hours by the year 1960.

In view of these facts, we believe it imperative to amend the Universal Military Training and Service Act drastically in several particulars, so as to assure the maintenance of our technological strength as well as our military strength. To this end we recommend:

1. That all men who have already reached age 26 and who have been deferred for occupational or educational reasons be relieved of further military liability.

2. That the proviso in section 6 (h), which makes men who have been deferred liable for military service until age 35, be deleted from the act.

3. That the Selective Service System be specifically given the discretion and the responsibility of selecting men for service or for deferment in accordance with the agricultural, educational, and industrial needs of the Nation, as defined in the present revised lists, and in subsequent revisions of the lists, of critical occupations and essential activities. This objective will be accomplished by writing into the bill the amendments contained in S. 969, proposed by Senator FLANDERS.

4. That this committee make provision in section 4 (d) (3) for a 6-month training period, on a voluntary basis for men under 19, and on an assignment basis under regulations established by the President for those over 19 who are filling critical occupations in essential activities. Only by some such provision will every American male have the privilege of serving his country in uniform.

5. That section 4 (d) (3) be further amended to provide that the Reserve shall be screened into ready and standby components; that individuals in the Ready Reserve who possess critical skills shall be transferred to the Standby Reserve in accordance with regulations promulgated by the President; and that the availability of members of the Standby Reserve for additional military service be determined by the Director of Selective Service in accordance with regulations promulgated by the President.

These changes are dictated by the exigencies of the present situation, which involves a rapidly increasing military manpower pool, a steadily rising age of induction, an inadequate supply of scientific and technological manpower, and a broadening avenue of escape especially for young men who lack skills that are urgently needed for the national welfare and security. It is our misfortune that we cannot create new scientists and engineers by a simple process of induction. We must persuade individual men to enter those careers and then must wait 4 to 7 years while they acquire the training that will enable them to undertake productive work. Under these circumstances, we cannot afford to waste a single bit of our technological manpower. Nor in the national interest can we—nor do we want to—relieve any of them from the duty and privilege of every citizen to bear arms for his country.

Mr. RUSSELL. Mr. President, I appreciate the remarks of the Senator from South Dakota. In the hearings before the committee, the distinguished Senator from South Dakota and especially the distinguished junior Senator from Missouri [Mr. SYMINGTON] went very fully into the question of skilled technicians and the shortage which impends in the United States. I think there is a real shortage. Just how to relieve it and just how the draft has caused the shortage of engineers are debatable questions.

As the Senator from South Dakota has said, there are many ramifications of this question. We have constantly to examine into these matters. Within a very few years there have been great changes in the manpower pool in the United States.

In 1951, when we were dealing with the so-called depression crop of young persons subject to the draft, we had to reduce the minimum age from 19 to 18½, in order to get enough young men to meet the requirements of Selective Service, and then we were scraping the very bottom of the barrel.

Today, it looks as if there might be an excess number, and that more young men than will be required for the military service will be reaching the age of service.

Certainly it is our responsibility to keep in touch with this entire subject—not only with the aspect of it affecting scientific technicians, which the Senator from South Dakota has discussed in some detail, but also with all other aspects of the Selective Service System. That comes within the purview of the jurisdiction of the Armed Services Committee. Speaking as the one who at this time occupies the position of chairman of the committee, I wish to state that I will welcome the advice, assistance, and legislative suggestions of the distinguished Senator from South Dakota [Mr. CASE] in the effort to find concrete means of approaching relief in connection with this subject. Knowing as I do the ability of the distinguished Senator from South Dakota, I am sure he will bring to us his legislative suggestions.

Mr. CASE of South Dakota. Mr. President, I appreciate the kind remarks of the distinguished chairman of the Armed Services Committee.

In order to nail down for the RECORD the specific suggestion which was made, I should like to read, from page 55 of the hearings, a statement and a question. The question was asked by the Senator from North Carolina [Mr. ERVIN] at the time when Dr. Meyerhoff appeared before the committee. I now read from page 55 of the hearings:

Senator ERVIN. Your main suggestion about amendment of the Selective Service Extension Act is about cutting off the period of time in which those are deferred in order that they might pursue an engineering or scientific education and also for other purposes, that they ought to cut them off at the 26-year age limit and not keep them in a state of uncertainty until 35.

Dr. MEYERHOFF. Yes, sir; for several reasons. As the figures we have and were presented to you in very brief summary show, a very large percentage of our engineers is below age 32.

I have a chart here which I would like to show you, that will indicate to you, you will see the number of men of military obligation and I think it will make it clear that if we take the engineers under age 35, they constitute what percentage?

Mr. CAVANAUGH. Almost 50 percent. One of the astounding things in this picture is we graduated 245,000 since 1937, which is almost half of the size of the entire profession in the United States.

I recognize that these men can continue in their deferment, but the uncertainty harasses them and harasses the companies which engage them. Since the manpower pool is now running about 1½ million who have not yet been physically examined, and since each month 46,000 young men are reaching military age, and the number constantly increases, whereas the calls are for only 10,000, it seems to me that we really ought to clarify the liability of men past 26 years of age, and offer whatever encouragement can be offered to those in the engineering field to proceed with their careers, without the threat of the draft hanging over them, or without having to be rescreened every 6 months or so.

Mr. President, I express my appreciation to the chairman of the committee for his indulgence in yielding to me and allowing me to speak, as it were, on his time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. MARTIN] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia will be stated.

The LEGISLATIVE CLERK. On page 5, line 24, in the committee amendment, after the word "has", it is proposed to insert the word "been."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 3005) was read the third time and passed.

The title was amended so as to read: "An act to further amend the Universal Military Training and Service Act by extending the authority to induct certain individuals and by extending the authority to require the special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes."

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. BYRD, Mr. JOHNSON of Texas, Mr. SALTONSTALL, and Mr. BRIDGES conferees on the part of the Senate.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1956

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 549, House bill 6042, the Defense Department appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6042) making appropriations for the Department of Defense for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

CAPT. MOSES M. RUDY—CHANGE OF CONFEREES

Mr. JOHNSON of Texas. Mr. President, on behalf of the chairman of the Committee on the Judiciary [Mr. KILGORE], I ask unanimous consent that the Senator from Mississippi [Mr. EASTLAND] be excused from further service as a conferee on the bill (H. R. 1142) for the relief of Capt. Moses M. Rudy, and that the Senator from Arkansas [Mr. MCCLELLAN] be designated to serve in his place.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

RESEARCH IN DEVELOPMENT AND UTILIZATION OF SALINE WATERS—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from New Mexico [Mr. ANDERSON], I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2126) to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2126) to amend the act of July 3, 1952, relating to research in the development and utilization of saline waters, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment insert the following:

"That the Act of July 3, 1952 (66 Stat. 328; 42 U. S. C., secs. 1951 ff.), is hereby amended as follows:

"(1) By modifying subsection (a) of section 2 of said Act so as to read: 'by means of research grants and contracts as set forth in subsection (d) of this section and by use of the facilities of existing Federal scientific laboratories within the monetary limits set forth in section 8 of this Act, to conduct research and technical development work, to make careful engineering studies to ascertain the lowest investment and operating costs, and to determine the best plant designs and conditions of operation.'

"(2) By modifying section 3 of said Act to add the following: 'Similarly, the fullest cooperation by and with the Atomic Energy Commission and the Civil Defense Administration in research shall be carried out in the interest of achieving the objectives of the program.'

"(3) By modifying section 8 of said act so as to read: 'There are authorized to be appropriated such sums, but not more than $10,000,000 in all, as may be required (a) to carry out the provisions of this act during the fiscal years 1953 to 1963, inclusive, (b) to finance for not more than two years beyond the end of said period such grants, contracts, cooperative agreements, and studies as may theretofore have been undertaken pursuant to this act, and (c) during the same additional period plus one more year, to correlate, coordinate, and round out the results of studies and research undertaken pursuant to this act. Departmental expenses for direction of the program authorized by this act and for the correlation and coordination of information as provided in subsection (d) of its section 2 shall not exceed $2,000,000 and not more than $2,500,000 shall be expended for research and development in Federal laboratories. Both of said sums shall be scheduled for expenditure in equal annual amounts insofar as is practicable: *Provided*, That not to exceed 10 per centum of the funds available in any one year for research and development may be expended in cooperation with public or private agencies in foreign countries in the development of processes useful to the program in the United States: *And provided further*, That contracts or agreements made in pursuance of this proviso shall provide that the results or information developed in connection therewith shall be available without cost to the program in the United States herein authorized.'"

And the Senate agree to the same.

CLINTON P. ANDERSON,
HENRY M. JACKSON,
JOSEPH C. O'MAHONEY,
EUGENE D. MILLIKIN,
ARTHUR V. WATKINS,
Managers on the Part of the Senate.

CLAIR ENGLE,
WAYNE N. ASPINALL,
LEO W. O'BRIEN,
A. L. MILLER,
JOHN P. SAYLOR,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, I understand that this report is signed by all the conferees on both sides.

Mr. JOHNSON of Texas. That is my understanding. It was handled by the distinguished Senator from New Mexico [Mr. ANDERSON], and there is no controversy involved. All the conferees signed the report.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by the Senator from New Mexico [Mr. ANDERSON].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ANDERSON IN CONNECTION WITH CONFERENCE REPORT ON H. R. 2126

Although it is not customary for the managers on the part of the Senate to make a statement in connection with a conference report on the disagreeing votes of the two Houses on Senate amendments to a House bill, because of its importance I desire to call the attention of the Senate to the conference report on H. R. 2126, to amend the act of July 3, 1952, relating to research in the development and utilization of saline water. The conferees of the two Houses, at the session yesterday, were unanimous in accepting the Senate amendments which place emphasis on the importance and urgency of the saline water program, which was inaugurated by the act of July 3, 1952.

The language recommended in the conference report is designed to assure close cooperation and coordination of the saline water program with and by the Atomic Energy Commission and the Civil Defense Administration for the purpose of achieving the objectives of the program. Emphasis is placed on national and world conditions which require tying the saline water program in with activities of the Atomic Energy Commission and the Civil Defense Administration.

It was the view of the conferees that the Secretary of the Interior would be expected to energize the program with the increased authorization of funds to be appropriated so as to bring about early solution of the problem of converting saline water to potable uses at economical costs. The situations with respect to water supplies in this country are becoming exceedingly critical in many areas. This condition is brought about by the rapidly increasing population and expanding industry with heavy drains on the existing water supplies. The demineralization of brackish water in the irrigated agricultural areas of the West is also a vital consideration.

Of even more importance in advancing this program is national and international conditions in this atomic age which emphasize the urgency of bringing the objectives of this program to a satisfactory conclusion. Concrete results are vital to the safety, security, and health of large segments of the 160 million people in this country.

All concerned with this program should be on notice that the expanded implementation provided by this legislation is expected to bring results that will be available to meet emergencies and have long-time continuing values to the country.

Approval of the conference report will be tantamount to concurrence of the Senate in these views for the information of the Department and the Bureau of the Budget in recommending appropriations.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

CONSTRUCTION OF DISTRIBUTION SYSTEMS ON AUTHORIZED FEDERAL RECLAMATION PROJECTS—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from New Mexico [Mr. ANDERSON], I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 103) to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 103) to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment insert the following:

"That irrigation distribution systems authorized to be constructed under the Federal reclamation laws may, in lieu of construction by the Secretary of the Interior (referred to in this Act as the 'Secretary'), be constructed by irrigation districts or other public agencies according to plans and specifications approved by the Secretary as provided in this Act.

"SEC. 2. To assist financially in the construction of the aforesaid local irrigation distribution systems by irrigation districts and other public agencies the Secretary is authorized, on application therefor by such irrigation districts or other public agencies, to make funds available on a loan basis from moneys appropriated for the construction of such distribution systems to any irrigation district or other public agency in an amount equal to the estimated construction cost of such system, contingent upon a finding by the Secretary that the loan can be returned to the United States in accordance with the general repayment provisions of sections 2 (d) and 9 (d) of the Reclamation Project Act of August 4, 1939, and upon a showing that such district or agency already holds or can acquire all lands and interests in land (except public and other lands or interests in land owned by the United States which are within the administrative jurisdiction of the Secretary and subject to disposition by him) necessary for the construction, operation, and maintenance of the project. The Secretary shall, upon approval of the loan, enter into a repayment contract which includes such provisions as the Secretary shall deem necessary and proper to provide assurance of prompt repayment of the loan. The term 'irrigation district or other public agency' shall for the purposes of this Act mean any conservancy district, irrigation district, water users' organization, or other organization, which is organized under State law and which has capacity to enter into contracts with the United States pursuant to the Federal reclamation laws.

"SEC. 3. The Secretary shall require as a condition to any such loan, that the water users' organization contribute in money or materials, labor, lands, or interests in land, computed at their reasonable value, a portion, not in excess of ten per centum, of the construction cost of such project (including all costs of acquiring lands, and interests in land), and that the plans for the distribution system are in accord with sound engineering practices and will achieve the purposes for which the system was authorized. Organizations contracting for repayment of the loans shall operate and maintain such works in conformity with reasonable contractual requirements determined to be appropriate for the protection of the United States, and when full repayment has been made to the United States, the Secretary shall relinquish all claims under said contracts. Title to distribution works constructed pursuant to this Act shall at all times be in the contracting water users' organizations. In addition to any other authority the Secretary may have to grant rights-of-way, easements, flowage rights, or other interests in lands for project purposes, the Secretary or the head of any other executive department may sell and convey to any irrigation district or other public agency at fair value lands and rights-of-way owned by the United States (other than lands being administered for national park, national monument, or wildlife purposes) which are reasonably necessary to the construction, operation, and maintenance of an irrigation distribution system under the provisions of this Act. No benefits or privileges under reclamation laws including repayment provisions shall be denied an irrigation distribution system because such system has been constructed pursuant to this Act. The provisions of this Act shall apply only to irrigation purposes, including incidental domestic and stock water, and loans hereunder shall be interest free. Nothing in this Act shall be construed to repeal or limit the procedural and substantive requirements of section 8 of the Act of June 17, 1902.

"SEC. 4. Except as herein otherwise provided, the provisions of the Federal reclamation laws, and Acts amendatory thereto, are continued in full force and effect."

And the Senate agree to the same.

CLINTON P. ANDERSON,
HENRY M. JACKSON,
JOSEPH C. O'MAHONEY,
EUGENE D. MILLIKIN,
ARTHUR V. WATKINS,
Managers on the Part of the Senate.

CLAIR ENGLE,
WAYNE N. ASPINALL,
LEO W. O'BRIEN,
A. L. MILLER,
JOHN P. SAYLOR,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, I wish to make a similar inquiry to the one propounded by me with respect to the previous conference report. Is my information correct, that this report was also signed by all the conferees on both sides, on the part of the Senate?

Mr. JOHNSON of Texas. That is my information.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

LEGISLATIVE PROGRAM — UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON DEFENSE DEPARTMENT APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, the Defense Department appropriation bill is the unfinished business. However, it is planned, when the Senate convenes tomorrow, to take up the Austrian treaty. At the conclusion of the consideration of the Austrian treaty, it may be that there will be some general bills on the calendar to which no objection has been offered, and which have been cleared by the minority leader and by the policy group on this side of the aisle.

I shall now list the order numbers, so that Senators who may be interested in any of the bills will be on notice that it is possible that they will be taken up either before the Austrian treaty is considered tomorrow, or following consideration of the Austrian treaty.

The list is as follows:

Calendar No. 518, House bill 4573, authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.

Calendar No. 519, House bill 2984, authorizing E. B. Reyna, his heirs, legal representatives and assigns to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Los Ebanos, Tex.

Calendar No. 543, House bill 208, granting the consent of Congress to the States of Arkansas and Oklahoma, to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Arkansas River and its tributaries as they affect such States.

Calendar No. 544, House bill 3878, to amend section 5 of the Flood Control Act of August 18, 1941, as amended, pertaining to emergency flood control work.

Calendar No. 545, House bill 4426, to amend section 7 of the act approved September 22, 1922, as amended.

Order No. 546, House bill 5293, to authorize certain sums to be appropriated immediately for the completion of the construction of the Inter-American Highway.

Order No. 547, Senate bill 890, to extend and strengthen the Water Pollution Control Act.

Order No. 548, Senate bill 1550, authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge across the St. Croix River between Calais, Maine, and St. Stephen, New Brunswick, Dominion of Canada.

Order No. 549, House bill 6042.

Mr. KNOWLAND. Mr. President, Order No. 549 is the unfinished business.

Mr. JOHNSON of Texas. That is correct. I am sorry. I may say to the Senator, however, that it may be taken up tomorrow, but I am sure there will not be any votes on Friday or on Saturday, and if we are able to obtain a unanimous consent agreement, we will not have any votes before 3 o'clock on Monday.

Order No. 550, Senate bill 2237, to amend the act of May 26, 1949, to strengthen and improve the organization of the Department of State, and for other purposes.

Order No. 551, Senate Resolution 93, to appoint a subcommittee to work toward the goal of world disarmament.

Order No. 552, Senate Resolution 112, to appoint Members of the Senate to attend the North Atlantic Treaty Organization Conference in Paris in July 1955.

Order No. 553, Senate Concurrent Resolution 29, authorizing the appointment of a congressional delegation to attend the North Atlantic Treaty Organization Parliamentary Conference.

Order No. 555, House bill 5841, to repeal the fee-stamp requirement in the Foreign Service and amend section 1728 of the Revised Statutes, as amended.

Order No. 556, House bill 5842, to repeal a service charge of 10 cents per sheet of 100 words, for making out and authenticating copies of records in the Department of State.

Order No. 557, House bill 5860, to authorize certain officers and employees of the Department of State and the Foreign Service to carry firearms.

Order No. 558, Senate bill 1966, to amend the Interstate Commerce Act to provide for filing of documents evidencing the lease, mortgage, conditional sale, or bailment of motor vehicles sold to or owned by certain carriers subject to such act.

Order No. 560, Senate Joint Resolution 77, to modify the authorized project for Ferrells Bridge Reservoir, Tex., and to provide for the local cash contribution for the water supply feature of the reservoir.

Order No. 561, House bill 6410, to authorize the construction of a building for Museum of History and Technology for the Smithsonian Institution, including the preparation of plans and specifications, and all other work incidental thereto.

Order No. 562, Senate bill 2097, to authorize the transfer to the Department of Agriculture, for agricultural purposes, of certain real property in St. Croix, V. I.

Order No. 563, Senate bill 2098, to amend Public Law 83, 83d Congress.

Order No. 564, House bill 2973, to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Macon County, Ga., to the Georgia State Board of Education.

Order No. 565, House bill 5188, to prohibit publication by the Government of the United States of any prediction with respect to apple prices.

Order No. 566, Senate bill 1472, to enable the Secretary of Agriculture to extend financial assistance to desert land entrymen to the same extent as such assistance is available to homestead entrymen.

Order No. 567, Senate bill 1757, to amend the act known as the "Agricultural Marketing Act of 1946," approved August 14, 1946.

Order No. 568, Senate bill 1759, to consolidate the Hatch Act (1887) and laws supplementary thereto relating to the appropriation of Federal funds for the support of agricultural experiment stations in the States, Alaska, Hawaii, and Puerto Rico.

Order No. 569, Senate bill 1400, to protect the integrity of grade certificates under the United States Grain Standards Act.

I have previously announced the possibility of bringing up additional bills. It may be too optimistic to expect that we can consider all of these bills, but I should like to have the Senate on notice that if we have the time we will feel at liberty to proceed to their consideration.

Mr. President, on behalf of myself and the distinguished minority leader, I now submit a unanimous-consent request, and I ask that it be stated.

The PRESIDING OFFICER. The Secretary will state the unanimous-consent request.

The legislative clerk read the proposed unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, June 20, 1955, at the conclusion of routine morning business, during the further consideration of the bill H. R. 6042, the Department of Defense Appropriation Act, 1956, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. KNOWLAND. Mr. President, will the distinguished majority leader yield to me for a question?

Mr. JOHNSON of Texas. I yield.

Mr. KNOWLAND. It is my understanding that, so far as Monday is concerned, the Senate will meet at 12 noon. Is that correct?

Mr. JOHNSON of Texas. That is correct. Under a further understanding with the distinguished minority leader on the Defense Department appropriation bill, it is not expected that there will be any votes before 3 o'clock.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the agreement is entered into.

RECESS

Mr. JOHNSON of Texas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 33 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 17, 1955, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate, June 16 (legislative day, June 14), 1955:

CALIFORNIA DEBRIS COMMISSION

Col. William F. Cassidy, Corps of Engineers, to be president and member of the California Debris Commission, under the provisions of section 1 of the act of Congress approved March 1, 1893 (27 Stat. 507) (33 U. S. C. 661).

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 16, 1955

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, as we again assemble to engage in the business of statecraft, may our minds become the chambers of pure motives and high resolves and, at the close of the day, the dwelling place of peace and happy memories.

Grant that daily we may be sustained by a great faith which knows how to conquer all paralyzing doubts and petty fears.

Inspire us with a radiant hope as we strive to be partners with Thee and with one another in the glorious enterprise of building the kingdom of peace and righteousness upon the earth.

Direct us now in our deliberations and decisions and may the words of our mouth and the meditations of our heart always be acceptable in Thy sight, O Lord, our strength and our Redeemer.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes."

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight Saturday night to file reports on the bills H. R. 6040, H. R. 5936, and H. R. 5560, and that the same length of time be allowed for the filing of any minority report or separate views upon any or all of those bills.